

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1700H.011
 Bill No.: HB 652
 Subject: Department of Revenue; Employees - Employers; Taxation and Revenue -
 Income; Taxation and Revenue - General
 Type: Original
 Date: January 15, 2025

Bill Summary: This proposal modifies provisions requiring employers to file missouri
 income tax returns electronically.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 143.591 - Employer Electric Filing

Officials from the **Department of Revenue (DOR)** note per the IRS, all employers are required to provide to their employees a W-2 that shows all wages paid and taxes withheld for the year for the employee. The IRS starting with tax year 2023, the W-2s that were due no later than January 31, 2024, required that all employers with 10 or more information returns, including Forms W-2, file the required forms electronically rather than on paper. The previous filing requirement was for employers with 250 or more employees to electronically file.

Missouri maintains compliance with federal tax law to simplify reporting for taxpayers and to make collection easier on the Department. To that end, Missouri in Section 143.201 RSMO, has the same requirements of the W-2 to be provided to every employee bringing us into compliance with the IRS. Since businesses are already required to file electronically with the IRS, this will not have a fiscal impact.

Officials from the **Department of Revenue (DOR)** and the **Office of Administration - Budget and Planning (B&P)** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

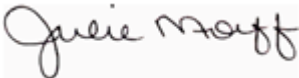
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning



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January 15, 2025



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January 15, 2025