

HCS HB 828 -- TAX CREDITS

SPONSOR: Laubinger

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 9 to 0 with 1 voting present. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 828.

Current law authorizes an income tax deduction for certain income received for the sale or lease of farmland to beginning farmers. This bill adds a definition of "taxpayer" to the deduction.

The bill provides that the date for filing income tax returns must be the date prescribed for filing federal tax return, and if that date is changed for any reason, the date for filing the State income tax returns must be changed to that date.

This bill provides that a taxpayer is not liable for penalties or interest on an income tax balance due if:

- (1) The taxpayer is denied part or all of a tax credit for which the taxpayer has qualified due to a lack of available funds; and
- (2) The denial causes a balance-due notice generated by the Department of Revenue.

The taxpayer must pay the balance within 60 days of the denial or be subject to penalties and interest.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that currently, donors may feel negative because they donated, qualified for a tax credit, and then did not receive their tax credit and faced penalties and interest payments. This discourages donations and community work. This bill will ensure taxpayers are not paying penalties and interest on balances due when it was an issue on the part of the State.

Testifying in person for the bill were Representative Laubinger.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.