

State Expenditures

The bill results in a minimal workload increase in FY 2014-15, when the DOR will adopt procedures consistent with the bill. In the future, potentially significant cost savings depend on large numbers of taxpayers that opt to receive electronic notices.

Assumptions. The DOR oversees a variety of high-volume operations, and has strategic goals, with budget accountability, that compel the DOR to handle these operations as efficiently as possible. The DOR will use its authority under the bill to implement an alternative to mailed notices.

In the immediate future, the fiscal note assumes that most taxpayers who receive mailed notices today will still prefer mailed notices. To the extent that there is a decline, rising costs for postage offset minor cost reductions when, at first, there are small declines in mail volume due to the bill. At some time in the future, user adoption of electronic notices may be very high. For the budget horizon of five years or more, the DOR will continue to require a large appropriation for bulk mailings. By FY 2019-20, electronic notices may become more prevalent.

DOR administration. In FY 2014-15, the bill offers the DOR an opportunity to send notices electronically. To implement this technology, the DOR will develop or alter forms to facilitate the taxpayer's election to receive electronic notices, possibly including secure electronic means for a taxpayer to opt in. Because the bill authorizes the DOR to implement the bill at its discretion, the fiscal note concludes that the DOR is able to set a schedule for implementation that aligns with budgeted costs, including budgeted programming upgrades. Overall, in FY 2014-15 and FY 2015-16, the bill presents a minimal increase in workload associated with the Taxpayer Services Division of DOR.

Cost savings—High user adoption. Potential savings under the bill include a substantial portion of the DOR budget presently appropriated to mailing expenses. At some future date, the majority of taxpayers may desire to receive notices electronically. This represents an annual savings of \$1.5 million or more. Any savings under the bill reduce state expenditures in the DOR, as well as reducing state expenditures of the same funds when reappropriated to the DPA for mailing services.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Revenue
Local Affairs

County Clerk and Recorders

Personnel and Administration