

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Measure: HB 2728 - A

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EXHIBIT: N
HOUSE REVENUE COMMITTEE
DATE: 5/11/2011 PAGES: 1
SUBMITTED BY: CHRIS ALLANACH

Prepared by: Matt Stayner
Reviewed by: Steve Bender, Laurie Byerly
Date: 4/12/11

Measure Description:

Allows taxpayer to make direct deposit contribution of income tax refund into Oregon 529 College Savings Network account.

Government Unit(s) Affected:

Department of Revenue(DOR), Oregon State Treasurer

Summary of Expenditure Impact

	2011-13 Biennium	2013-15 Biennium
Other Funds	64,427	0
Total Funds	\$64,427	0
Positions	0	0
FTE	0	0

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure as implemented by the Department of Revenue (DOR) results in estimated one-time expenditures totaling \$64,427. Although not required by the bill, the Department of Revenue and the Oregon State Treasurer have indicated that the Oregon 529 College Savings Plan program would transfer \$64,427 of Other Funds to the Department of Revenue, to cover the Department's costs of process changes needed to allow direct deposits of refunds to the Oregon 529 accounts. DOR would require Other Funds expenditure limitation to spend the transferred monies. Although the agencies indicate agreement to this fund transfer, there is no formal agreement currently in place between the two agencies.

DOR would develop a new tax form for directing tax refunds to a 529 account. Changes would be made to the primary income tax return forms as well. The DOR estimates an expenditure of \$1,826 of Other Funds in the 2011-13 biennium for this form work.

The DOR does not currently have the capability to electronically process direct deposits to more than one account. The DOR does not have the internal resources available to perform the programming work required to enable the processing of refunds to multiple direct deposit accounts and therefore will contract for these services at an expected cost of \$62,601 based on internal estimates of programming hours required.

The remaining, ongoing expenses including continual form publication and electronic transaction processing costs will be absorbed by DOR with existing budget resources.