

SB 32 STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 05/11/17

Action: Do pass and be placed on the Consent Calendar.

Vote: 6-0-3-0

Yeas: 6 - Barnhart, Hernandez, Marsh, Nosse, Smith G, Smith Warner

Exc: 3 - Bentz, Buehler, Johnson

Fiscal: No fiscal impact

Revenue: Has minimal revenue impact

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WHAT THE MEASURE DOES:

Provides for imposition of either penalty for failure to pay estate tax when due or penalty for initial failure to file estate tax return when due.

ISSUES DISCUSSED:

- Penalties associated with various tax programs in the state
- Estate tax

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

For other tax programs such as personal income tax, withholding tax, and corporate tax the five percent penalty applies only once. There is a five percent failure-to-file penalty or a five percent failure-to-pay penalty, but not both. The ability of the inheritance program to assert two penalties is inconsistent with other tax programs.