



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 16

PRINTERS NO. 1056

PRIME SPONSOR: Mackenzie

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	\$0
Municipal Funds	\$0	\$0

SUMMARY: Amends the Local Tax Collection Law to prohibit tax payments to an account in an individual's name and requires the creation of a separate account to be used solely for tax purposes. This legislation would take effect on January 1st of the year immediately following enactment.

ANALYSIS: This legislation adds a new Section 5.2 to the Local Tax Collection Law to require that tax collectors no longer accept payment of taxes in the name of an individual.

Tax Accounts: Within 60 days of this legislation's effective date, the legislation requires any funds collected for the payment of taxes to be deposited or transferred into an account that includes the name of an office, title or position, and may include the name of the municipality. The legislation prohibits the deposit of taxes into an account bearing an individual's name and the use of one's social security number to open an account. This new account shall also be used for taxes collected by the tax collector under the Local Tax Enabling Act.

To help taxpayers make this adjustment, this legislation requires that all tax notices include a description of how taxes are to be paid, based on the new requirements under Section 5.2.

Joint Taxing Districts: Joint taxing districts and county treasurers that collect on behalf of a tax collector may choose to open one single account for collected monies, subject to the same account naming restrictions noted above.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or municipal funds. It is presumed that any municipality that has to change their tax collection and distribution process, such as changing the name or establishing a new bank account, could do so conveniently without any additional cost.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: April 4, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.