

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 127

PRINTER NO. 1366

AMOUNT

Minimal Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 14, 2015

PRIME SPONSOR

Senator Boscola

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 127 amends the Crime Victims Act (P.L. 882, No. 111) by adding a new section 1302.1 (State income tax intercept). This new section allows for the interception of state income tax refunds to pay outstanding court-ordered obligations, such as restitution, fines, and costs.

Specifically, this legislation requires the Department of Revenue to do the following:

- deduct from a state income tax refund the amount of any court-ordered obligation arising from a criminal prosecution or proceeding;
- pay the amount deducted to the clerk of court for the county in which the order was entered;
- notify the taxpayer of a payment made from intercepted funds;
- pay the amount remaining to the taxpayer; and
- annually report to the Pennsylvania Commission on Crime and Delinquency (PCCD) and the Finance Committees of the Senate of Pennsylvania and the House of Representatives the amount of court-ordered obligations collected under this legislation.

A deduction under this legislation shall be given priority after any deduction for delinquent Pennsylvania State income tax obligations or delinquent child support under 23 Pa.C.S. §4307 (relating to State income tax intercept).

Further, this legislation allows the Department of Revenue to determine and set a fee to cover actual costs to administer this new section and deduct the calculated amount from the refund subject to a deduction under this legislation.

This act shall take effect in 90 days.

FISCAL IMPACT:

Enactment of this legislation will have a minimal fiscal impact on Commonwealth funds.

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Additional revenue generated through state income tax refund intercepts would be dependent upon the number of individuals that are due a state income tax refund and have outstanding court-ordered obligations. Although this new section may generate additional revenues for the courts and payments to individuals or other entities owed restitution, it's expected to be minimal.

Additionally, this legislation allows the Department of Revenue to deduct an administrative fee in order to cover the costs of administering this program. Therefore, enactment of this legislation will have no adverse impact on Commonwealth funds.