

timeliness must be within 90 days, if the department does not make refunds in a timely manner, that is from 90 days of the appropriate filing by the...timely filing by the individual taxpayer, that the interest is paid at the rate of 14 percent by the state on those refunds, or other matters where there is to be a payment from the state back to the taxpayer if that is not done in that timely fashion. What the bill does do, however, is in one area, which was my original interest, in one area it changes as to when that 90 days commences to be counted. Under the income tax practices, as I have understood it, and under existing law, if a taxpayer paid their income tax on timely fashion the original filing, and then at a later date filed an amended return within the time frame for filing amended returns, and from that amended return was due a refund, the interest on that refund would commence from the date of the original filing, that is the 90 days would start to count from the date of the original filing rather than from the date of the amended filing. The impact of this is that while I suspect, would hope at least, that in most instance it was just a matter of circumstances, nevertheless, the law, as it is written, would permit a taxpayer to file an income tax substantially more than what they...that is they would pay substantially more, could pay substantially more than what was due, knowingly, and then, at a later date, file an amended report, taking into account whatever deductions were proper and, as a result of that amended filing, would have a refund due. But the refund would count from the date of the original filing. not from the date of the amended filing. The result was, some of the estimates I was given the last couple years, although the fiscal note does not indicate a dollar amount at this point, but it was indicated to me that it might amount to as much as a half a million dollars a year in which interest was paid on refunds as a result of amended filings from the original tax filing date. Obviously, it could be misused. You could intentionally pay more income tax than you needed to, knowing that you could file an amended report at a substantially later date and then, in effect, draw 14 percent interest on that money from the state from the time frame...time period of the amended...of the original report from the time you filed the amended report, which makes it a very neat way to invest money and get a very high rate of return that you couldn't get at least under current times anywhere else. It doesn't take anything away from the taxpayer. The 90-day provision would still apply to the amended report, that is the state would have to process that amended report within 90 days or interest would commence to be charged against the state to the benefit of the