

OFFICE OF FISCAL AND PROGRAM REVIEW

Work Session Date: March 1, 2013

To: Members, Joint Standing Committee on Taxation

From: Elizabeth Cooper, Legislative Analyst

LD 150, An Act To Modernize State Income Tax Refunds

Summary: This bill provides that, beginning in 2014, individual income tax refunds must be made in the form of a debit card or by direct deposit, or by check if requested by a person 56 years of age or older.

Public Hearing:

Bill presentation – Rep. Knight presented the bill on behalf of the sponsor.

Proponents

- The sponsor provided written testimony, which was read into the record. A staff member of MaineStreet Solutions representing Visa testified in support.
- *Major points:* savings to taxpayers; help eliminate income tax check fraud; done in other states; provided fact sheet including information on potential savings.

Opposed - none

NFNA – A representative from the State Treasurer’s Office testified ‘neither for nor against’ and provided information about the unified payment card work group; plan for RFP to conduct work toward model described in the report.

Technical Issues: Should the Committee choose to move forward with the bill, members should consider issues raised in the Maine Revenue Services memorandum date 2/20/13 including administrative responsibility, fees, processes, and costs.

Fiscal Information: The preliminary fiscal impact statement was not available at the time this analysis was completed.