

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Government Efficiency Appropriations Committee

BILL: CS/SB 1300

SPONSOR: Government Efficiency Appropriations Committee and Senator Campbell

SUBJECT: Corporate Income Tax/Limitation/Refunds

DATE: April 4, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fournier</u>	<u>Johansen</u>	<u>GE</u>	<u>Favorable/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

CS for SB 1300 conforms the statute of limitations for refunds of estimated payments of corporate income tax to the statute of limitations for tax assessments. For tax years beginning on or after January 1, 2001, estimated tax payments are deemed to have been made when the tax return is required to be filed, including extensions of time allowed to the taxpayer for filing such returns.

This bill takes effect July 1, 2005.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 220.727.

II. Present Situation:

Subsection (1) of s. 220.727, F.S., establishes when payments of estimated corporate income tax are deemed to have been made for purposes of claiming refunds within the statute of limitations. These payments are deemed to have been paid: (1) on the date the return is filed by the taxpayer; or (2) on the original due date of the return, whichever is earlier. Therefore, the three-year statute of limitations for obtaining a refund of the estimated tax begins to run no later than the original due date of the return, even if the taxpayer files for an extension and files the final return after the due date.

III. Effect of Proposed Changes:

This bill amends s. 220.727, F.S., to conform the statute of limitations for refunds of estimated payments of corporate income tax to the statute of limitations for tax assessments. For tax years

beginning on or after January 1, 2001, estimated tax payments are deemed to have been made when the tax return is required to be filed, including extensions of time allowed to the taxpayer for filing such returns.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

This bill is estimated to reduce General Revenue by \$3.4 million in FY 2005-06 and thereafter.

B. Private Sector Impact:

This bill extends the statute of limitation for refunds of estimated payments of corporate income taxes. It allows taxpayers to claim refunds within three years of filing their returns.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
