

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 883
Ways and Means

(Delegate Olszewski, *et al.*)

Budget and Taxation

Income Tax Refund - Direct Deposit - Multiple Accounts

This bill requires the Comptroller to directly deposit an income tax refund into at least two accounts at one or more financial institutions at the request of a taxpayer.

The bill takes effect January 1, 2011.

Fiscal Summary

State Effect: None. The Comptroller's Office can handle the requirements with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: None applicable.

State Expenditures: The Comptroller's Office is in the process of replacing its 20-year-old computer system. The Modernized Integrated Tax System (MITS) is a state-of-the-art tax collection system that will allow the Comptroller's Office to directly deposit an income tax refund into at least two accounts as specified by the bill. The contract for MITS was approved by the Board of Public Works on December 3, 2008 for \$87 million.

The Comptroller's Office reports that if the implementation of MITS is delayed, it will incur a one-time expenditure increase of \$85,300 in fiscal 2011 to allow direct deposits of income tax refunds into more than one account. This includes tax form changes and

processing changes to the SMART income tax return processing and imaging systems and systems testing.

Additional Information

Prior Introductions: None.

Cross File: SB 698 is identified as a cross file but the bills are not identical.

Information Source(s): Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2009
ncs/hlb Revised - House Third Reader - March 30, 2009

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