

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5580S.01I  
Bill No.: SB 931  
Subject: Department of Revenue; Taxation and Revenue - Income  
Type: Original  
Date: January 21, 2026

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Bill Summary: This proposal modifies provisions relating to the mailing of certain tax information.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

| FUND AFFECTED  | FY 2027                  | FY 2028                  | FY 2029                  |
|--|--------------------------|--------------------------|--------------------------|
| General Revenue                                      | Up to \$2,100,000        | Up to \$2,100,000        | Up to \$2,100,000        |
|  |                          |                          |                          |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>Up to \$2,100,000</b> | <b>Up to \$2,100,000</b> | <b>Up to \$2,100,000</b> |

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

| FUND AFFECTED   | FY 2027    | FY 2028    | FY 2029    |
|---|------------|------------|------------|
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

| FUND AFFECTED   | FY 2027    | FY 2028    | FY 2029    |
|---|------------|------------|------------|
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

| FUND AFFECTED                            | FY 2027  | FY 2028  | FY 2029  |
|--|----------|----------|----------|
|  |          |          |          |
|  |          |          |          |
| <b>Total Estimated Net Effect on FTE</b> | <b>0</b> | <b>0</b> | <b>0</b> |

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☒ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

| FUND AFFECTED           | FY 2027    | FY 2028    | FY 2029    |
|-------------------------|------------|------------|------------|
|                         |            |            |            |
|                         |            |            |            |
| <b>Local Government</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§143.611 - Notice of Assessment Notices**

Officials from the **Department of Revenue (DOR)** note currently, per statutes, DOR is required to mail by certified mail, the Notice of Assessment Letter to a taxpayer about a problem with their tax return. DOR is finding that a majority of these certified Notice of Assessments are being returned to DOR unclaimed.

The Notice of Assessment is sent to a taxpayer at their last known address to inform them that they have:

- Failed to file a tax return that is owed,
- Filed a return in which they have incorrectly reported the tax owed, or
- Failed to pay the tax amount due.

Certified mail requires a person to sign for the mail before it can be given to them. Should the postal employee not be able to get a signature upon delivery, they leave a notice informing the person they have certified mail, and they must come to the post office to sign for it. The problem is that postal offices are open limited number of hours a day, for the person to retrieve their certified mail. Usually, the same business hours that the person is working.

In FY 2025, approximately 42% of these certified Notice of Assessment letters were returned to DOR unclaimed costing the department \$906,936. As of July 2025, a certified notice cost \$5.30 more than a letter sent regular first-class mail. The Department spent about \$2,241,070 in postage to send 411,876 of these Notice of Assessment letters by certified mail in FY 2025. (It should be noted the postage rate is expected to rise each January and July for the next couple of years).

This proposal is removing the certified mail notice requirement if a taxpayer elects to have their notices delivered electronically. This proposal would also allow taxpayers to have the notice sent regular first-class mail or if they elect to have it electronically delivered.

The Department is not able to estimate the number of taxpayers that will opt in to receive notices electronically. However, if all choose to receive their notice electronically DOR will save \$2.1 million in certified mail expenses. DOR will assume this proposal will result in a savings to general revenue of Up to \$2.1 million annually.

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal will not impact: - TSR - The calculation under Article X, Section 18(e) - B&P.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DOR.

| <u>FISCAL IMPACT – State Government</u>  | FY 2027<br>(10 Mo.)                | FY 2028                            | FY 2029                            |
|--|------------------------------------|------------------------------------|------------------------------------|
| <b>GENERAL REVENUE</b>   |                                    |                                    |                                    |
| <u>Savings</u> – DOR (§143.611) Savings on Notice of Assessment certified mail costs p.3 | Up to<br><u>\$2,100,000</u>        | Up to<br><u>\$2,100,000</u>        | Up to<br><u>\$2,100,000</u>        |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>   | Up to<br><b><u>\$2,100,000</u></b> | Up to<br><b><u>\$2,100,000</u></b> | Up to<br><b><u>\$2,100,000</u></b> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2027<br>(10 Mo.) | FY 2028           | FY 2029           |
|---|---------------------|-------------------|-------------------|
|   |                     |                   |                   |
|   | <b><u>\$0</u></b>   | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
|   |                     |                   |                   |

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Current law requires a notice of tax deficiency to a taxpayer by certified or registered mail. This act instead requires such notice to be mailed by regular first class mail, or electronically at the taxpayer's request.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of Administration - Budget and Planning



Julie Morff  
Director  
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Jessica Harris  
Assistant Director  
January 21, 2026