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Synopsis of Senate Committee Amendments

(This synopsis does not address amendments that may have been adopted on the Senate Floor.)

Sub. H.B. 18 of the 133rd General Assembly

Senate Ways & Means

Mackenzie Damon, Attorney

Refund of prior taxes paid on disability severance payments

Removes a provision that would allow taxpayers to claim a refundable credit for state income taxes paid on any military disability severance payment received in 1991 or thereafter, regardless of whether the payment was taxable at the federal and state level at the time it was received.

Instead, allows taxpayers to claim a tax refund only with respect to payments that were erroneously taxed at the federal and state level in 1991 or thereafter. Sets the deadline to claim the refund at December 31, 2020.

Extends the refund claim period for future disability severance payments from 90 days to 180 days after a taxpayer's federal tax is adjusted to account for improper taxation of the payments (the default refund claim period for other federal adjustments is 90 days after the federal adjustment is final).