

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7012**

**BILL NUMBER:** HB 1427

**NOTE PREPARED:** Apr 19, 2011

**BILL AMENDED:** Apr 7, 2011

**SUBJECT:** Claiming Child as Dependent for Tax Purposes.

**FIRST AUTHOR:** Rep. Sullivan

**FIRST SPONSOR:** Sen. Bray

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) This bill has the following provisions:

- (1) Requires a court to specify in a child support order which parent of a child may claim the child as a dependent for purposes of federal and state taxes.
- (2) Establishes factors the court must consider in determining which parent may claim the child as a dependent.
- (3) Requires a court that specifies that the noncustodial parent of a child may claim the child as a dependent to order the custodial parent of the child to take all actions necessary to release the custodial parent's claim to the exemption in the manner required under federal law.
- (4) Requires a court to include in a court order that a parent who is ordered to pay child support may only claim the child as a dependent if the parent has paid at least 95% of the parent's child support for the calendar year for which the parent is ordered to claim the child as a dependent by January 31 of the following year.
- (5) Provides that a prosecuting attorney or private attorney who contracts or agrees to undertake activities required under Title IV-D is not required to mediate, resolve, or litigate a dispute between the parties relating to the assignment of the right to claim a child as a dependent for federal and state tax purposes.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 232-9559.