

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7012

BILL NUMBER: HB 1427

NOTE PREPARED: May 10, 2011

BILL AMENDED: Apr 7, 2011

SUBJECT: Claiming Child as Dependent for Tax Purposes.

FIRST AUTHOR: Rep. Sullivan

FIRST SPONSOR: Sen. Bray

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: 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:

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