

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2759-01
Bill No.: SB 800
Subject: Taxation and Revenue - Income; State Treasurer
Type: Original
Date: January 22, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$94,876)	(\$46,927)	(\$48,101)
Total Estimated Net Effect on General Revenue Fund	(\$94,876)	(\$46,927)	(\$48,101)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
ALS Lou Gehrig's Disease Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

*Assumes an unknown amount of contributions distributed to ALS association annually.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal has no impact on BAP. BAP assumes the following: In each tax year beginning January 1, 2004, a taxpayer entitled to a tax refund may designate a portion of that refund go to the ALS Lou Gehrig's Disease Fund. This proposal would have no impact on general revenue. BAP has no basis for estimating the amount of contributions to this fund.

Officials of the **State Treasurer (STO)** assume this legislation creates the ALS Lou Gehrig's Disease Fund (143.605.2)

- in the treasury
- funded by a donation of a tax refund on the first page of the income tax return
- donations may also be made by check, draft or other negotiable instrument sent to the Department of Revenue
- the Director of Revenue shall forward amounts received to STO for deposit into the fund
- all contributions received by designation on the income tax return shall be transferred monthly (less cost of collection and handling by DOR) to STO for deposit in the fund
- STO shall distribute moneys deposited in the fund at least annually and in equal amounts to the ALS Association, St. Louis Regional Chapter and the ALS Association, Keith Worthington Chapter for the purposes of patient services and research.

ASSUMPTION (continued)

STO requests one FTE at the Accountant II level plus the corresponding expense and equipment to reconcile the new fund and distribute the money annually.

Oversight has, for fiscal note purposes only, changed the starting salary for the Accountant II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials of the **Department of Revenue (DOR)** state this legislation establishes a check off on the individual and corporate tax returns for the ALS Lou Gehrig's Disease Fund. Taxpayers donating, but not receiving a refund to offset, may submit a separate check for their donation with their tax return. DOR is to deposit all contributions to the ALS Lou Gehrig's Disease Fund, which is also created by this legislation.

Taxation will have to modify the MINITS and COINS systems to allow for the check off to be added to the tax returns and for the accountability of the contributions. DOR assumes it will take 1,384 hours of programming on the MINITS system and 692 hours of programming on the COINS system, at a cost of \$69,255.

DOR defers any revenue impact to BAP.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Cost - State Treasurer</u>			
Personal Service	(\$16,004)	(\$32,969)	(\$33,793)
Fringe Benefits	(\$6,626)	(\$13,649)	(\$13,990)
Expense and Equipment	<u>(\$2,991)</u>	<u>(\$309)</u>	<u>(\$318)</u>
Total Cost - STO	(\$25,621)	(\$46,927)	(\$48,101)
 <u>Cost - Dept. of Revenue</u>			
Programming	<u>(\$69,255)</u>	<u>\$0</u>	<u>\$0</u>
 TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	 <u>(\$94,876)</u>	 <u>(\$46,927)</u>	 <u>(\$48,101)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
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**ALS LOU GEHRIG'S DISEASE
 FUND**

<u>Income</u> - contributions	Unknown	Unknown	Unknown
<u>Transfers Out</u> - to ALS Association	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON ALS LOU GEHRIG'S DISEASE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

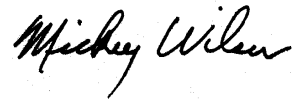
DESCRIPTION

This proposal creates a one dollar check-off on the Missouri income tax return. The money designated by the check-off will be deposited into the ALS Lou Gehrig's Disease Fund, to be distributed to the Missouri ALS Associations for the St. Louis and Kansas City regions. The check-off of one dollar is primarily for taxpayers who are to receive a refund. However, taxpayers who owe taxes may also contribute to the fund and any taxpayer may elect to contribute more than one dollar.

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
Division of Budget and Planning
State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 22, 2004