

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4670-05
Bill No.: HCS for SCS for SB 1269
Subject: Taxation and Revenue - Sales and Use; Taxation and Revenue – General;
 Counties; Political Subdivisions
Type: Original
Date: May 4, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 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*	UNKNOWN	UNKNOWN	UNKNOWN

*Requires voter approval before an impact would occur.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this legislation will have an impact on the Division of Taxation by creating more districts for DOR to track.

DOR assumes by allowing additional districts, additional programming to the existing MITS system will be required (692 hours for a cost of \$23,085) for each district that does not coincide with the boundaries of existing political subdivisions.

DOR assumes for each district created using the same boundaries as existing political subdivisions, there would be no additional programming costs.

It is unknown how many additional districts may be formed as a result of this legislation. It is also unknown if there are additional districts, whether the boundaries would be the same as existing political subdivisions.

DOR assumes for purposes of the response, that there will be at least one new district with non conforming boundaries.

Jasper County officials assume no cost to counties from this legislation.

ASSUMPTION (continued)

Officials from the **City of Kansas City and City of Springfield** assume this legislation would not generate revenues or savings and would not have any cost or loss to their agencies.

Oversight notes that any sales tax proposed would have to be approved by the voters of the districts outlined within this act. **Oversight** assumes that if a district which does not comprise a county or municipality imposes a sales tax, then DOR officials could request additional resources from the General Assembly in order to administer the sales tax.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
<u>Income - Cities/Counties</u>			
Increased Sale/Use Tax	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
 TOTAL ESTIMATED NET EFFECT ON LOCAL GOVERNMENT*	 <u>UNKNOWN</u>	 <u>UNKNOWN</u>	 <u>UNKNOWN</u>

***Requires voter approval before an impact would occur.**

FISCAL IMPACT - Small Business

Small businesses in districts where voters approve an increase in sales/use tax would be expected to collect/pay the higher rate as a result of this proposal. Certain small businesses that operating license fees to local governments might be impacted as well if such rates change, but the impact is not known.

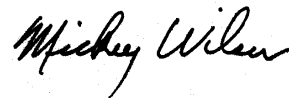
DESCRIPTION

This proposal provides for various changes to local taxation provisions.

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 State Courts Administrator
Jasper County
City of Kansas City
City of Springfield



Mickey Wilson, CPA
Director
May 4, 2004