COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4806-01
Bill No.: SB 1336
Subject: Taxation and Revenue - Income; State Treasurer
Type: Original
Date: March 11, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	($69,255)	$0	$0
Total Estimated Net Effect on General Revenue Fund	**($69,255)**	**$0**	**$0**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
MO Military Family Relief Fund*	$0	$0	$0
Total Estimated Net Effect on All State Funds	**$0**	**$0**	**$0**

*Assumes an unknown amount of contributions distributed to the fund 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 All 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 newly created Missouri Military Family Relief Fund. This proposal would increase total state revenues. BAP has no basis for estimating the amount of contributions to this fund.

Officials of the **State Treasurer (STO)** assume this legislation establishes a check-off on the front page of the tax return for contributions to the Missouri Military Family Relief Fund.
- in the state treasury
- administered by the adjutant general
- exempt from the biennial transfer
- retains interest earnings
-STO shall distribute moneys deposited in the fund to the Missouri Military Family Relief Fund.
STO currently does not make distributions, therefore STO requests one FTE at the Accounting Analyst I level plus the corresponding expense and equipment.

Oversight assumes STO's current staff can handle the increase in workload created by this proposal since this proposal would require twelve deposits a year and one distribution.

ASSUMPTION (continued)

Officials of the **Department of Revenue (DOR)** state this legislation establishes a check off on the individual and corporate tax returns for the Missouri Military Family Relief Fund. Taxpayers donating, but not receiving a refund to offset, may submit a separate check for their donation with their tax return. The contribution designation must be clearly printed on the first page of the income tax forms. DOR is to deposit all contributions to the Missouri Military Family Relief 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.

Officials from the **Department of Public Safety, Adjutant General's Office (MNG)** assume MNG would administer the fund. MNG would develop the CSR applicable to the program and process grants to resident members of the National Guard and resident members of the reserve forces of the armed forces of the United States. Existing personnel will provide administrative services to support the program.

FISCAL IMPACT - State Government	FY 2005 (6 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
Cost - Dept. of Revenue Programming	($69,255)	$0	$0
TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**($69,255)**	**$0**	**$0**
MO MILITARY FAMILY RELIEF FUND			
Income - contributions	Unknown	Unknown	Unknown
Transfers Out - to MO Military Families	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON MO MILITARY FAMILY RELIEF FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2005 (6 Mo.)	FY 2006	FY 2007
	$0	**$0**	**$0**

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 Missouri Military Family Relief Fund, to be administered by the adjutant general and distributed to the families of Missouri residents who are members of the National Guard or the reserves and have been called to duty as a result of the terrorist attacks of September 11, 2001. 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
Department of Public Safety
  Office of the Adjutant General

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KS:LR:OD (12/02)

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