

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2185-01  
Bill No.: SB 624  
Subject: City of St. Louis: Sales Tax, Public Safety  
Type: Original  
Date: March 26, 2007

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Bill Summary: Allows the City of St. Louis to impose a sales tax for public safety purposes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

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ASSUMPTION

Officials of the **Department of Revenue** stated that this proposal does not require their department to collect the sales tax. Officials assume that state revenues would be unaffected. Officials stated that the Taxation Division would have no fiscal impact.

Officials of the **Office of Administration Information Technology (ITSD DOR)** assume no fiscal impact.

Officials of the **City of St. Louis** did not respond to this fiscal note request; however, in response to a similar proposal of this session, fiscal note 1606-01 HB 603 the following fiscal impact statement was submitted:

Officials of the **City of St. Louis - Budget Division** stated that if the people were to approve a sales tax at the ½ cent rate it would generate an estimated \$18,000,000 for 10 months of FY 2008.

**Oversight** assumes that this proposal is permissive and as written would have no fiscal impact without action by the governing body with voter approval.

**Oversight** will show fiscal impact as \$0 to \$18,000,000 the amount estimated by the City of St. Louis Budget Office. **Oversight** assumes fiscal impact would be \$0 if the tax did not receive voter approval.

**Oversight** for the purposes of this fiscal note will show annual fiscal impact to the City of St. Louis for the public safety programs as \$0. **Oversight** assumes annual costs would not exceed annual income generated from the sales tax for public safety.

**Oversight** assumes the City of St. Louis would collect the sales tax. This proposal does not require collection to be made by the Department of Revenue - Sales Tax Division.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>CITY OF ST. LOUIS PUBLIC SAFETY FUND</b>			
<b><u>Income</u> - City of St. Louis</b>			
From voter approved sales tax	\$0 to \$18,000,000	\$0 to \$18,000,000	\$0 to \$18,000,000
<b><u>Cost</u> - City of St. Louis</b>			
From collection, administration, and providing public safety programs and projects.	<u>\$0 to</u> <u>(\$18,000,000)</u>	<u>\$0 to</u> <u>(\$18,000,000)</u>	<u>\$0 to</u> <u>(\$18,000,000)</u>
<b>ESTIMATED NET EFFECT TO CITY OF ST. LOUIS PUBLIC SAFETY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

If the City of St. Louis were to receive voter approval to impose a sales tax retail businesses would be required to pay, collect, and remit the sales tax.

FISCAL DESCRIPTION

This act allows the City of St. Louis to put before its voters a ballot measure allowing the city to impose a sales tax, not to exceed one-half of one percent, solely for the purpose of providing revenues for the operation of public safety departments, including police and fire departments.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

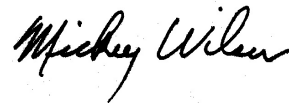
SOURCES OF INFORMATION

Department of Revenue - Sales Tax Division  
 Office of Administration Information Technology (ITSD DOR)

L.R. No. 2185-01  
Bill No. SB 624  
Page 5 of 5  
March 26, 2007

NOT RESPONDING

City of St. Louis

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA  
Director  
March 26, 2007

RWB:LR:OD (12/02)