

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1434-01
Bill No.: SB 280
Subject: Insurance - General; Taxation and Revenue - General; Taxation and Revenue - Income
Type: Original
Date: February 9, 2009

Bill Summary: Would exempt insurance companies subject to an annual tax on gross premium receipts from Missouri corporate income and franchise taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)**, and the **Department of Revenue (DOR)** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would have no fiscal impact on their organization. DESE officials stated that this proposal may decrease the amount of money going into the County Foreign Insurance fund, but DESE has no means to calculate the decrease.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed this proposal would not result in additional costs or savings to their organization. BAP officials further stated that this proposal would exempt insurance companies subject to an annual tax on gross premium receipts from Missouri corporate income and franchise taxes. DIFP reports that this bill simply clarifies language in Missouri law, and companies that are subject to gross premium taxes currently do not currently pay corporate or franchise taxes. This bill therefore would not have an impact on general and total state revenues.

Oversight assumes this proposal would have no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

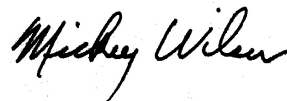
FISCAL DESCRIPTION

The proposed legislation would appear to have no fiscal impact.

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

Office of Administration
Division of Budget and Planning
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Revenue



Mickey Wilson, CPA
Director
February 9, 2009