

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0962-01
Bill No.: SB 166
Subject: Arts and Humanities; Entertainment, Sports and Amusements; Libraries and Archives; Taxation and Revenue - Income
Type: Original
Date: February 12, 2013

Bill Summary: This proposal would extend the allocation of revenues from the Nonresident Entertainer and Professional Athletic Team Income Tax until December 31, 2019.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Department of Natural Resources (DNR)** stated this proposal would extend the December 31, 2015 expiration date of the Nonresident Entertainer and Professional Athletic Team Income Tax to December 31, 2019. Subject to appropriation, ten percent of this tax is allocated annually and transferred from the General Revenue Fund to the Historic Preservation Revolving Fund to be made available for historic preservation efforts. This extension would allow the department to continue historic preservation efforts in Missouri. DNR officials assume the potential impact of this proposal would be outside the fiscal impact period.

Officials from the **Department of Economic Development - Missouri Arts Council (MAC)** stated that current legislation provides for MAC and four cultural partners to receive the proceeds of the Nonresident Entertainer and Professional Athletic Team Income Tax into the Cultural Trust. The state receives approximately \$30 million from this tax of which 60%, or \$18 million, is designated for the Missouri Arts Council. The revenue must be appropriated by the General Assembly and collections are not fully allocated to MAC. MAC officials assume this proposal could potentially have an impact exceeding \$10 million annually if this revenue was allocated as the legislation indicates.

ASSUMPTION (continued)

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal would not result in any additional costs or savings to their organization.

BAP officials noted this proposal would extend the allocation of the Nonresident Entertainer and Professional Athletic Team Income Tax thru tax year 2019. This would have no impact on General and Total State Revenues.

Officials from the **Office of the State Treasurer**, the **Department of Economic Development - Office of the Director**, the **Office of Administration - Division of Budget and Planning**, and the **Department of Revenue** each assume the proposal would not fiscally impact their respective agencies.

Oversight notes that current provisions for this program are in effect for tax years beginning on or after January 1, 1999 but not after December 31, 2015, and assumes that a tax year which began January 1, 2016 would not currently be subject to the program. Tax returns for years beginning on or after January 1, 2016 would be filed beginning January 1, 2017, which is in FY 2017 and outside the time covered by this fiscal note. Accordingly, Oversight will not include any fiscal impact for this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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

This proposal would extend current allocations of tax revenues from the Nonresident Entertainer and Professional Athletic Team Income Tax to the Missouri Arts Council Trust Fund, the Missouri Humanities Council Trust Fund, the Missouri State Library Networking Fund, the Missouri Public Television Broadcasting Corporation Special Fund, and the Missouri Historic Preservation Revolving Fund until December 31, 2019.

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 the Secretary of State
Office of the State Treasurer
Joint Committee on Administrative Rules
Office of Administration - Division of Budget and Planning
Department of Economic Development - Office of the Director, and Missouri Arts Council
Department of Natural Resources
Department of Revenue



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February 12, 2013