

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3553-05
Bill No.: Perfected SS No. 2 for SB 704
Subject: Taxation and Revenue - Income
Type: Original****PRELIMINARY****
Date: April 30, 2020

Bill Summary: This proposal modifies provisions relating to taxation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue*	Less than or Greater than (\$12,893,309) to (\$17,393,309)	Less than or Greater than (\$14,047,965) to (\$19,410,028)	Less than or Greater than (\$14,870,570) to (\$19,370,570)	Less than or Greater than (\$14,612,251) to (\$19,112,251)
Total Estimated Net Effect on General Revenue	Less than or Greater than (\$12,893,309) to (\$17,393,309)	Less than or Greater than (\$14,047,965) to (\$19,410,028)	Less than or Greater than (\$14,870,570) to (\$19,370,570)	Less than or Greater than (\$14,612,251) to (\$19,112,251)

* A portion of this impact ((\$1,500,000) to (\$6,000,000) each year) is the continuation (extending the sunset from 6/30/2020 to 6/30/2026) of an existing tax credit program (Wood Energy - §135.305).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Capitol Complex	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 54 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Capitol Complex Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Local Government	Less than or Greater than \$721,143	\$0 or (Unknown) to Unknown	Greater than or Less than \$75,528,916	Less than or Greater than \$77,039,494

FISCAL ANALYSIS

ASSUMPTION

Section 67.730 - Capital Improvements Sales Tax - Clay County and Platte County

Oversight notes this section would authorize the counties of Clay and Platte, upon voter approval, to impose a capital improvement sales tax. The capital improvement sales tax is permitted to be in addition to or in lieu of all and any other sales tax authorized by law to be imposed by the county. The purposes of the capital improvement sales tax is to retire revenue bonds issued for capital improvement projects designated by the counties.

In response to similar legislation (HB 1746 - 2020) officials from **DOR** stated this section would allow any county of the first classification or any county having a charter form of government, and containing a portion of a city with a population of over three hundred fifty thousand may, upon the vote of a majority of the qualified voters of the county voting thereon, issue and sell its negotiable interest-bearing revenue bonds for the purpose of paying all or part of the cost of any capital improvements project or projects designated by the governing body of the county. The bonds shall be retired from the proceeds of a countywide sales tax on all retail sales made in such county which are subject to taxation under the provisions of sections 144.010 to 144.525.

DOR believes this would allow Clay County or Platte County to implement this sales tax. DOR noted the sales tax authorized under sections 67.730 to 67.739 may be imposed at a rate of one-fourth of one percent, three-eighths of one percent, one-half of one percent, or one percent, on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the county adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525 per Section 67.734. DOR assumes they would also allow them to retain the 1% collection fee.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Oversight notes the following Fiscal Year 2019 taxable sales for Clay County and Platte County, per published reports on Missouri Department of Revenue's website:

Clay County Taxable Sales - FY 2019	\$3,951,165,349
Platte County Taxable Sales - FY 2019	\$2,120,305,860

ASSUMPTION (continued)

Oversight used the data above and applied an estimated two percent (2%) annual growth to estimate the revenue impact(s) if this provision was voted on and approved in Fiscal Year 2023.

Therefore, **Oversight** estimates, should Clay County's voters vote in favor of such a sales tax in Fiscal Year 2023 this section could increase Clay County's revenues by a range equal to \$10,276,981 to \$41,107,924. Furthermore, as a result, Oversight estimates GR could increase by a range equal to \$102,770 to \$411,079.

Oversight further estimates, should Platte County's voters vote in favor of such a sales tax in Fiscal Year 2023, this section could increase Platte County's revenues by a range equal to \$5,514,916 to \$22,059,662. Furthermore, as a result, Oversight estimates GR could increase by a range equal to \$55,149 to \$220,597.

For purposes of this fiscal note, Oversight will report a fiscal impact for Clay County ranging from \$0 (voters reject the proposal or the proposal is not put forth on the ballot) to \$41,107,924 in Fiscal Year 2023 (voters approve the proposal at max rate) increased annually by a two percent (2%) growth.

For purposes of this fiscal note, Oversight will report a fiscal impact for Platte County ranging from \$0 (voters reject the proposal or the proposal is not put forth on the ballot) to \$22,059,662 in Fiscal Year 2023 (voters approve the proposal at max rate) increased annually by a two percent (2%) growth.

Oversight estimates, provided the voters of both counties mentioned above vote in favor of such a sales tax during Fiscal Year 2023, this section could increase GR by a range equal to \$157,919 to \$631,676. For purposes of this fiscal note, Oversight will report an increase to GR equal to \$0 (voters reject the proposal or the proposal is not put forth on a ballot) to \$631,676 (the estimated maximum sales tax collections of both counties multiplied by 1%) increased annually by a two percent (2%) growth.

Section 67.1011 - Transient Guest Tax - City of Butler

Oversight note this section would permit the City of Butler to impose a transient guest tax provided the governing body of the city submits to the voters of the city at a general election, so long as it is not earlier than the 2022 General Election, a question to authorize the city to impose such tax which shall not be more than six percent per occupied room.

ASSUMPTION (continued)

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Oversight is unable to determine how many sleeping rooms are located in the City of Butler, the average cost of such rooms, and the average occupancy rate. Therefore, for purposes of this fiscal note, Oversight will report a fiscal impact to the City of Butler ranging from \$0 (voters reject the proposal or the governing body does not put forth the proposal to “Unknown” beginning in Fiscal Year 2023 as it relates to this section.

Section 67.1360 - Transient Guest Tax - City of Cameron

Oversight notes this section would permit the City of Cameron to impose a transient guest tax provided the governing body of the city submits to the voters of the city at an election a question to authorize the city to impose such tax which shall be at least two percent (2%) but no more than five percent (5%).

Oversight notes, in response to similar legislation (HB 2418 - 2020), the **City of Cameron** assumed this section could increase the City of Cameron’s revenues by an estimated \$147,168 annually (280 rooms * 60% occupancy * \$60 per room * 365 nights = \$3,679,200 * 4% transient guest tax = \$147,168 revenue increase to the City of Cameron Tourism Bureau.

In response to similar legislation (HB 2418 - 2020), officials from **B&P** stated this section would not have a direct impact on B&P, has no direct impact on GR or TSR and will not impact the calculation pursuant to Article X, Section 18(e).

In response to similar legislation (HB 2418 - 2020), officials from **DOR** stated this section would not have a direct fiscal impact on their organization as transient guest tax(es) are collected by the local political subdivision.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

For purposes of this fiscal note, **Oversight** applied an annual two percent (2%) growth to the City of Cameron’s current estimates. Therefore, Oversight will report an increase to the City of Cameron’s revenues ranging from \$0 (voters reject the proposal or the proposal is not put forth on a ballot) to \$153,114 (voters approve the proposal at 4%) beginning in Fiscal Year 2023 and apply a 2% growth each fiscal year thereafter.

ASSUMPTION (continued)

Section 67.1790 - Early Childhood Education Programs Sales Tax - Greene County (and Any Cities Within)

Oversight notes this section would permit Greene County, or any city within Greene County, to impose by order or ordinance a sales tax on all retail sales made within the county or city that are subject to sales tax under Chapter 144. The sales tax is to provide funding for early childhood education programs in Greene County or the city. Such tax shall not exceed one-quarter of one percent (.25%). The childhood education program sales tax, though, must be approved by voter approval at a general election.

Provided the sales tax is voter approved, Greene County or the city must enter into an agreement with DOR to collect the tax. DOR is permitted to retain 1% for the cost of collection.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Officials from the **Missouri Department of Elementary and Secondary Education (DESE)** state, contingent upon the action of voters (and subsequently the governing bodies of Greene County and the cities within) DESE assumes this section could have an impact on the revenues received into the Early Childhood Education Sales Tax Trust Fund; however, DESE has not means to calculate the potential impact.

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some responses in a timely manner and performed limited analysis.

For purposes of this fiscal note, **Oversight** will report a positive fiscal impact to Greene County and Respective Cities ranging from \$0 (voters reject the proposal or it is not put forth to voters) to “Unknown” (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section.

Furthermore, **Oversight** will report a positive fiscal impact for GR equal to \$0 to “Unknown” beginning in Fiscal Year 2023, as it relates to this section.

Upon the receipt of responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

ASSUMPTION (continued)

Section 94.838 - Municipal Tourism Tax - Transient Guest Tax and Tax on Retail Sales of Food - Lamar Heights

Oversight notes this section increases the tax on gross receipts derived from the retail sales of food by every person operating a food establishment in Lamar Heights, from two percent (2%) to six percent (6%).

Furthermore, under current law, Lamar Heights is only permitted to use the funds from the sales tax for funding the construction, maintenance and operation of capital improvements. This section permits Lamar Heights to use the sales tax revenues for general revenue purposes.

Oversight notes Lamar Heights would need to submit the question of an increase in the rate of food tax to the voters on a general election day so long as the general election day is not before the 2022 General Election.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some responses in a timely manner and performed limited analysis.

For purposes of this fiscal note, **Oversight** will report a positive fiscal impact to Lamar Heights ranging from \$0 (voters reject the proposal or it is not put forth to voters) to “Unknown” (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section.

Furthermore, **Oversight** notes the tax on retail sales of food is administered, collected, enforced and operated as required under Section 32.087. Therefore, Oversight assumes DOR is permitted to collect a one percent (1%) collection fee to be deposited into GR. For purposes of this fiscal note, Oversight will report the fiscal impact to GR ranging from \$0 to “Unknown” beginning in Fiscal Year 2023.

Section 94.842 - Transient Guest Tax - Springfield

Oversight notes this proposed legislation would allow the City of Springfield, if approved by the City’s voters, on a general election but not earlier than the 2022 General Election, to impose a tax on the charges for all sleeping rooms paid by transient guests of hotels or motels located in the City equal at a rate not to exceed seven and one-half percent (7.5%). Oversight further notes the tax revenues generated would be designated solely for capital investments that can be demonstrated to increase the number of overnight visitors in the City.

ASSUMPTION (continued)

Oversight notes this section would permit, upon mutual agreement between the City of Springfield and DOR, DOR to collect the transient guest tax on behalf of the City of Springfield.

In response to similar legislation (HB 1700 - 2020), officials from **B&P** stated this proposed legislation allows voters in the City of Springfield (the City) to impose a transient guest tax up to 7.5% for the purpose of funding capital investments that can be demonstrated to increase the number of overnight visitors.

The analysis assumes that an agreement is entered into by the City and the State of Missouri's Director of Revenue for the collection of the tax.

Based upon the City's Calendar Year 2019 estimated \$117.0 million of taxable room sales, B&P estimates that a 7.5% tax will generate \$8.8 million in collections (\$117 million * 7.5%). As a voter-approved tax, the collected revenues will not impact General Revenue (GR) and Total State Revenues (TSR); however, the Department of Revenue (DOR) will retain 1% to offset collection costs (if an agreement is entered into by the City and DOR for DOR to collect the tax). Therefore, this portion could increase GR and TSR by approximately \$88,000.

B&P defers to DOR for more specific estimates of actual collection costs.

Oversight notes B&P estimates the City could recognize \$8.8 million in tax revenue when fully implemented. Oversight further notes B&P estimates that GR and TSR could increase by one percent (1%) of the total amount collected from the City's transient guest tax if the City and DOR come to an agreement for DOR to collect the tax on behalf of the City.

In response to similar legislation (HB 1700 - 2020), officials from the **City of Springfield (City)** stated there is a positive impact to the City. The City assumes, if voters approved the tax increase, the positive impact is likely to be more than \$2.5 million per year.

Oversight notes the City assumes the City's tax revenues would increase by an amount greater than \$2.5 million per year.

Oversight assumes that the City would not recognize a gain in tax revenues unless the tax was approved by the voters of the City. Therefore, for purposes of this fiscal note, Oversight will show a range for Springfield from \$0 (governing body of the city does not submit the proposal to the voters or the voters defeat the proposal) up \$8.8 million in Fiscal Year 2023, increased by a two percent (2%) growth each fiscal year thereafter.

For the purposes of this fiscal note, Oversight will show a report the fiscal impact for GR beginning at \$0 (City collects the tax) to \$88,000 in Fiscal Year 2023 increased by a two percent (2%) growth each fiscal year thereafter (City and DOR agree for DOR to collect the tax on behalf of the City).

ASSUMPTION (continued)

In response to similar legislation (HB 1700 - 2020), officials from **DOR** stated the proposed section would not have a direct fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

In response to similar legislation (HB 1700 - 2020), officials from the **Missouri Secretary of State's Office (SOS)** and the **Joint Committee on Administrative Rules (JCAR)** stated the proposed section would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 94.844 - Transient Guest Tax - Joplin

Oversight notes this proposed legislation would allow the City of Joplin, if approved by the City's voters, on a general election but not earlier than the 2022 General Election, to impose a tax on the charges for all sleeping rooms paid by transient guests of hotels or motels located in the City equal at a rate not to exceed seven percent (7%). Oversight further notes the tax revenues generated would be designated solely for the construction, maintenance and operation of convention and tourism facilities.

Oversight notes this section would permit, upon mutual agreement between the City of Joplin and DOR, DOR to collect the transient guest tax on behalf of the City of Joplin.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some responses in a timely manner and performed limited analysis.

For purposes of this fiscal note, **Oversight** will report a positive fiscal impact to the City of Joplin ranging from \$0 (voters reject the proposal or it is not put forth to voters) to "Unknown" (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section.

Furthermore, **Oversight** will report a positive fiscal impact (DOR 1% collection fee) for GR equal to \$0 to "Unknown" beginning in Fiscal Year 2023, as it relates to this section.

ASSUMPTION (continued)

Upon the receipt of responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 94.900 - Public Safety Sales Tax - Hallsville, Kearney, Smithville and Branson West

In response to similar legislation (HB 1731 - 2020), officials from **B&P** stated this section allows voters in the City of Hallsville to impose a sales tax up to 0.50% for the purpose of funding public safety for the city.

Based upon the City of Hallsville's Fiscal Year 2019 \$8.9 million of taxable sales, B&P estimates that a 0.50% tax will generate \$44,275 in collections. Since the bill indicates that this sales tax would take effect starting April 1, only Quarter 4 of Fiscal Year 2021 sales collections would be impacted. This results in the proposed sales tax generating approximately \$11,069 for the city for Fiscal Year 2021. As a voter-approved tax, the collected revenues will not impact General Revenue (GR) and Total State Revenue (TSR); however, the Missouri Department of Revenue will retain 1% to offset collection costs. Therefore, this portion could increase GR and TSR by approximately \$112 in Fiscal Year 2021.

Budget and Planning defers to DOR for more specific estimates of actual collection costs.

Oversight notes B&P assumes the City of Hallsville could anticipate increases in sales tax revenue equal to \$11,069 in Fiscal Year 2021 and \$44,275 annually thereafter. Oversight has confirmed the amount of taxable sales used by B&P to provide the estimates.

In response to similar legislation (HB 1731 - 2020), officials from **DOR** stated this proposal would allow the City of Hallsville to authorize and impose up to one-half of one percent sales tax, and shall be imposed solely for the purpose of improving public safety. Using taxable sales report data for the City of Hallsville, DOR estimates the impact as follows:

City of Hallsville Taxable Sales by Calendar Year

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	2,120,442	2,206,788	2,374,865	2,281,633	8,983,728
2016	2,209,520	2,277,424	2,389,793	2,287,573	9,164,310
2017	2,283,198	2,479,424	2,423,003	2,283,876	9,469,500
2018	2,305,757	2,424,249	2,156,592	2,249,081	9,135,679
2019	2,272,117	2,266,564			

ASSUMPTION (continued)

Conversion of Taxable Sales by Calendar Year to Fiscal Year

FY	Jul - Sep	Oct - Dec	Jan - Mar	Apr - June	Total
2016	2,374,865	2,281,633	2,209,520	2,277,424	9,143,442
2017	2,389,793	2,287,573	2,283,198	2,479,424	9,439,988
2018	2,423,003	2,283,876	2,305,757	2,424,249	9,436,885
2019	2,272,117	2,266,564			9,625,623
2020					9,818,135
2021					10,014,498
2022					10,214,788
2023					10,419,084

Oversight notes DOR has estimated growth in the City of Hallsville’s taxable sales each fiscal year equal to two percent (2%) for all fiscal years after Fiscal Year 2018.

DOR took the fiscal year taxable sales and multiplied the amounts by the proposed tax rate of one-half of one percent (.5%) to determine the total amount of the sales tax collected. DOR notes that this proposal allows DOR to retain one percent (1%) that is deposited into GR for expenses for collection of this tax.

Fiscal Year	Total Taxable Sales	Collections	DOR Fee	Final Collection
2018	\$9,436,885	\$47,184	\$472	\$46,713
2019	\$9,625,623	\$48,128	\$481	\$47,647
2020	\$9,818,135	\$49,091	\$491	\$48,600
2021	\$10,014,498	\$50,072	\$501	\$49,572
2022	\$10,214,788	\$51,074	\$511	\$50,563
2023	\$10,419,084	\$52,095	\$521	\$51,574

Oversight notes DOR assumes the City of Hallsville could anticipate an increase in sales tax revenue equal to \$51,574 in Fiscal Year 2023 and an increase to GR equal to \$521 in Fiscal Year 2023.

ASSUMPTION (continued)

In response to similar legislation (HB 1731 - 2020), officials from the **City of Hallsville** stated the City's current base sales tax rate is 1.625%. In the event the Board of Aldermen approve to put on the ballot a ½ cent public safety sales tax to go to the voters and it is approved, our base tax rate will be 2.125%. The total sales tax rate for purchases within the City is 7.6%, which includes 4.225% for the State of Missouri and 1.750% for (Boone) County. With the ½ cent sales tax the total sales tax will be 8.1%. This tax rate is comparable to other communities in the City's area. The City anticipates a ½ cent public safety sales tax will generate approximately \$55,000 a year for the Police Department. With these funds, the City could increase their department from three full time officers to four full time officers. Adding another full time officer will give the City near 24/7 coverage for the first time. The funds will also allow the department to increase their fleet of patrol vehicles and keep up with the upgrades in technology and the replacement of outdated equipment.

Oversight notes the City anticipates its sales tax revenues to increase by approximately \$55,000 each year if the voters of the City approved the one-half of one percent sales tax for public safety.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

For purposes of this fiscal note, **Oversight** will report the fiscal impact to the City of Hallsville ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$51,574 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by DOR.

Furthermore, for purposes of this fiscal note, **Oversight** will report the fiscal impact to GR ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$521 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to the estimated fee from Hallsville. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by DOR.

In response to similar legislation (HB 1726 - 2020) officials from **B&P** stated this section allows voters in the City of Kearney and the City of Smithville to impose a sales tax up to 0.50% for the purpose of funding public safety for the cities.

Based upon the City of Kearney's and the City of Smithville's Fiscal Year 2019 taxable sales revenues, B&P estimates that a 0.50% tax will generate collections as shown in the chart below.

ASSUMPTION (continued)

City	DOR Collections				Sales Tax Collections Data		
	FY 2021	FY 2022	FY 2023		FY 2021	FY 2022	FY 2023
Kearney	\$ 1,645	\$ 6,578	\$ 6,578		\$ 162,811	\$ 651,244	\$ 651,244
Smithville	\$ 1,056	\$ 4,225	\$ 4,225		\$ 104,560	\$ 418,239	\$ 418,239
	\$ 2,701	\$ 10,803	\$ 10,803		\$ 267,371	\$ 1,069,483	\$ 1,069,483

Oversight notes B&P assumes the City of Kearney could anticipate increases in sales tax revenue equal to \$651,244 in Fiscal Year 2023 and each year thereafter and the City of Smithville could anticipate increases in sales tax revenue equal \$418,239 in Fiscal Year 2023 and each year thereafter.. Oversight has confirmed the amount of taxable sales used by B&P to provide the estimates.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

For purposes of this fiscal note, **Oversight** will report the fiscal impact to the City of Kearney ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$651,244 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by B&P.

For purposes of this fiscal note, **Oversight** will report the fiscal impact to the City of Smithville ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$418,239 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by B&P.

Furthermore, for purposes of this fiscal note, **Oversight** will report the fiscal impact to GR ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$6,512 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to the estimated fee from the City of Kearney. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by DOR.

Furthermore, for purposes of this fiscal note, **Oversight** will report the fiscal impact to GR ranging from \$0 (voters reject the proposal or it is not put forth to voters) to \$4,182 (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to the estimated fee from the City of Smithville. Oversight will apply an annual growth rate of two percent (2%) to the Fiscal Year 2023 estimate provided by DOR.

ASSUMPTION (continued)

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some responses in a timely manner and performed limited analysis.

For purposes of this fiscal note, **Oversight** will report a positive fiscal impact to the City of Branson West ranging from \$0 (voters reject the proposal or it is not put forth to voters) to “Unknown” (voters approve the proposal) beginning in Fiscal Year 2023, as it relates to this section.

Furthermore, **Oversight** will report a positive fiscal impact (DOR 1% collection fee) for GR equal to \$0 to “Unknown” beginning in Fiscal Year 2023, as it relates to the collection of tax from the City of Branson West, as it relates to this section.

Upon the receipt of responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 94.902 - Public Safety Sales Tax - Clinton, Cole Camp, Lincoln and Claycomo

In response to similar legislation, officials from **B&P** stated this section allows the cities of Clinton in Henry County, and Cole Camp and Lincoln in Benton County to impose a public safety sales tax of 0.25%, 0.5%, 0.75% or 1%. The impact of this will depend upon the sales tax rate the cities select.

City	DOR Collections			Sales Tax Collections Data		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Clinton	1,135	4,539	4,539	112,339	449,356	449,356
Cole Camp	93	373	373	9,222	36,888	36,888
Lincoln	58	230	230	5,699	22,796	22,796
	1,286	5,142	5,142	127,260	509,040	509,040

City	DOR Collections			Sales Tax Collections Data		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Clinton	2,269	9,078	9,078	224,678	898,712	898,712
Cole Camp	186	745	745	18,444	73,776	73,776
Lincoln	115	461	461	11,398	45,591	45,591
	2,570	10,284	10,284	254,520	1,018,079	1,018,079

ASSUMPTION (continued)

City	DOR Collections			Sales Tax Collections Data		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Clinton	3,404	13,617	13,617	337,017	1,348,068	1,348,068
Cole Camp	279	1,118	1,118	27,666	110,664	110,664
Lincoln	173	691	691	17,097	68,387	68,387
	3,856	15,426	15,426	381,780	1,527,119	1,527,119

City	DOR Collections			Sales Tax Collections Data		
	FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023
Clinton	4,539	18,156	18,156	449,356	1,797,424	1,797,424
Cole Camp	373	1,490	1,490	36,888	147,552	147,552
Lincoln	230	921	921	22,796	91,183	92,183
	5,142	20,567	20,567	509,040	2,036,159	2,037,159

As a voter-approved tax, the collected revenues will not impact general and total state revenues; however, DOR will retain 1% to offset collection costs. Therefore, this portion could increase general and total state revenues by the DOR fee amounts shown in the charts above.

In response to similar legislation, officials from **DOR** assumed this proposal would allow any city of the third classification with more than nine thousand but fewer than ten thousand inhabitants and located in any county of the third classification with a township form of government and with more than twenty thousand but fewer than twenty-three thousand inhabitants to implement a sales tax for public safety. DOR believes the only City to qualify under this description is the City of Clinton.

Additionally, this proposal would allow any city of the fourth classification with more than one thousand fifty but fewer than one thousand two hundred inhabitants and located in any county of the third classification without a township form of government and with more than eighteen thousand but fewer than twenty thousand inhabitants and with a city of the fourth classification with more than two thousand one hundred but fewer than two thousand four hundred inhabitants as the county seat to also implement a sales tax for public safety. DOR believes this would apply to the City of Lincoln and the City of Cole Camp.

The sales tax may be imposed in an amount of up to one-fourth, one-half, three-fourths, or one percent. The tax shall be imposed solely for the purpose of improving the public safety.

In response to similar legislation (HB 1309 - 2020) officials from **B&P** stated this section allows voters in the Village of Claycomo to impose a sales tax up to 0.50% for the purpose of funding public safety for the village. It also adds "villages" to the governing bodies that may impose the tax.

ASSUMPTION (continued)

Based upon the Village of Claycomo's Fiscal Year 2019 \$25.0 million of taxable sales, B&P estimates that a 1% tax will generate \$250,000 in collections.

As a voter-approved tax, the collected revenues will not impact general and total state revenues; however, DOR will retain 1% to offset collection costs.

Oversight notes this proposed legislation would allow the City of Clinton, Cole Camp, Lincoln and Claycomo, if approved by the City's voters, on a general election but not earlier than the 2022 General Election, to impose a sales tax on all retail items subject to sales tax under Chapter 144 to improve public safety.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Therefore, Oversight assumes B&P estimates this section will increase revenues (maximum) for the following cities in the following amounts in Fiscal Year 2023:

City	Fiscal Year 2023
Clinton	\$1,797,424
Cole Camp	\$147,552
Lincoln	\$92,183
Claycomo	\$250,000

For purposes of this fiscal note, Oversight will report the fiscal impact to the cities above ranging from \$0 (voters reject the proposal or it is not put forth to voters) to B&P's estimated increase to the cities above for Fiscal Year 2023, increasing each year thereafter by a two percent (2%) annual growth rate.

Furthermore, Oversight assumes B&P estimates this section will increase (maximum) GR by the following amounts in Fiscal Year 2023:

City	DOR 1% Collection Fee
Clinton	\$17,974.24
Cole Camp	\$1,475.52
Lincoln	\$921.83
Claycomo	\$2,500.00

For purposes of this fiscal note, Oversight will report the fiscal impact to GR ranging from \$0 (voters reject the proposal or it is not put forth to voters) to B&P's estimated increase to GR for Fiscal Year 2023, increasing each year thereafter by a two percent (2%) annual growth rate.

ASSUMPTION (continued)

Section 94.1014 - Transient Guest Tax - Ashland

In response to similar legislation (HB 1601 - 2020) officials from **DOR** stated this section this will not have a direct impact on their organization. Transient guest taxes are collected by the political subdivision and not DOR.

In response to similar legislation (HB 1601 - 2020) officials from the **City of Ashland (Ashland)** stated while Ashland does not currently have any hotels located in Ashland, Ashland is working with developers to attract hotel development to help boost overnight stays in the community.

Ashland assumes, when using a sixty-three percent (63%) occupancy rate, Ashland could recognize an increase in revenue as a result of transient guest tax(es) of approximately \$137,510 from each lodging facility. The calculation used by Ashland to estimate the revenue increase is shown below:

115	*	365 Days of	*	\$130 Cost per Room	*	4% Lodging Tax	*	63% Occupancy
Rooms		the Year		per Night		Rate		Rate

Ashland has indicated Ashland is hopeful that within the next two to three years, Ashland will have three or more hotels in Ashland.

Oversight assumes the estimated increase in revenue as a result of transient guest tax equal to \$137,510 is specific to each hotel. Therefore, Oversight assumes, if Ashland has three hotels developed in Ashland, the increase in revenue could total \$412,530 ($\$137,510 * 3$) annually.

Oversight notes this proposed legislation would allow Ashland, if approved by the City's voters, on a general election but not earlier than the 2022 General Election, to impose a tax on the charges for all sleeping rooms paid by transient guests of hotels or motels located in the City equal at a rate not to exceed five percent (5%). Oversight further notes the tax revenues generated would be designated solely for the promotion of tourism, growth of the region and economic development purposes.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

For the purposes of this fiscal note, Oversight will report a zero fiscal impact to the State of Missouri as DOR does not collect transient guest taxes (unless an agreement with the political subdivision is made) and a zero fiscal impact for the City of Ashland as the city does not currently have any hotels/motels operating within the boundaries of Ashland.

ASSUMPTION (continued)

Oversight notes if hotel/motel development takes place within the boundaries of Ashland, in which such hotel(s)/motel(s)/ become fully operational, Ashland could recognize revenue gain as a result of this proposed legislation being enacted.

Section 99.805, 99.810, 99.825 and 99.843 - Real Property Tax Increment Allocation Redevelopment

In response to similar legislation (SB 871 - 2020), officials from **B&P** stated these sections would have no direct impact on B&P, no direct impact on GR or TSR and will not impact the calculation pursuant to Article X, Section 18(e).

In response to similar legislation (SB 871 - 2020), officials from the **City of Kansas City (KC)** stated these sections could have a negative fiscal impact on KC in an indeterminate amount because of the removal of the conservation area and economic development area designations. Such removal could lessen the attractiveness of the areas to potential developers resulting in less economic stimulus in KC.

In response to similar legislation (SB 871 - 2020), officials from the **Missouri Department of Economic Development**, the **Missouri Department of Revenue**, the **Missouri State Tax Commission** and the **City of Columbia** had stated the proposed sections would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations as it relates to these sections.

Oversight will not show a fiscal impact of the changes to the tax increment financing laws. Oversight assumes the changes put forth may or may not impact future development projects; however, Oversight considers this to be an indirect impact of the proposed legislation.

Section 105.145 - Political Subdivisions Financial Report to State Auditor's Office

In response to similar legislation (HB 1854 - 2020), officials from **B&P** assumed §105.145 excludes the fine for failure to submit annual financial statements for political subdivisions with gross revenues of less than \$5,000, or for political subdivisions that have not levied or collected sales or use taxes in the fiscal year. This may result in a revenue loss for both the state and schools.

ASSUMPTION (continued)

It also provides grace from fines if the failure to timely submit the annual financial statement is the result of fraud or other illegal conduct and allows a refund by DOR of any fines already paid under these circumstances. The 90% downward adjustment DOR is allowed to make on outstanding fine or penalty balances after January 1, 2021, results in the amount of collections being reduced for both the state and DOR collection fees. A similar downward adjustment may be made by DOR if the outstanding fines are deemed uncollectible. These downward adjustments will likewise result in a revenue loss for both the state and schools.

Based on information from DOR, the department started imposing this fine in August 2017. DOR has imposed total fines of \$42,853,000.00 and collected a total of \$2,011,481.57. This proposal directs that the DOR Director initiate a ballot measure that could disincorporate political subdivisions that fail to timely submit annual financial statements after August 28, 2020.

In response to similar legislation (HB 1854 - 2020), officials from **DOR** stated currently local political subdivisions are required to file annual financial statements with the State Auditor's Office. Failure to file those statements results in the political subdivision being assessed a fine of \$500 per day per statutes, which is deposited into school district funds. DOR notes that the Department started imposing this fine in August 2017. DOR receives notice from the State Auditor's Office if a political subdivision does not file their annual financial statement. At that time the Department sends a notice to the political subdivision and thirty days later the fee starts to accumulate.

The Department collects the fine by offsetting any sales or use tax distributions due to the political subdivisions. In essence DOR only gets to collect the fee if the political subdivision has a sales or use tax. Most of these political subdivisions do not have a sales or use tax for DOR to collect, so DOR assumes much of what is owed is uncollectible. Additionally, this is not state money but local political subdivision funds.

Currently, a transportation development district that had gross revenues of less than \$5,000 in a fiscal year was not subject to this fine. This proposal states that any political subdivision that has gross revenues less than \$5,000 or has not levied or collected a sales and use tax in the fiscal year, would not be subject to the fine. Additionally, language is added that if the failure to file is a result of fraud or illegal conduct by an employee or officer of the political subdivision, and if the political subdivision complies with filing the financial statement within thirty days of the discovery of the fraud or illegal conduct, the fine shall not be assessed.

This proposal is allowing a political subdivision that files its financial statement after January 1, 2021 to receive a 90% reduction of their outstanding balance of their fines owed. Current records of the Department show total fines of \$42,853,000.00 and that \$2,011,481.57 had been collected. The assessment of the fines is distributed as follows:

ASSUMPTION (continued)

Political Subdivisions	Number of Subdivisions	Total Amount Fined	Total Amount Collected
Cities	147	\$13,620,000	\$1,419,702.72
Ambulance Districts	11	\$1,296,000	\$58,000
Hospitals	6	\$604,000	\$0
PWSD	17	\$1,433,500	\$0
Library Districts	7	\$1,510,500	\$0
Fire Protection Districts	47	\$4,744,500	\$42,500
Levee/Drainage/SRD Districts	53	\$7,736,000	\$0
Health Departments	4	\$196,500	\$0
CID	55	\$8,126,500	\$332,124.07
TDD	18	\$2,796,500	\$159,154.78
Other/Undesignated	6	\$874,000	\$0
		\$42,075,000.00	\$2,011,481.57

DOR noted that per statute we are allowed to retain 2% of the amount collected for administration. Since the program began we have collected \$38,977.74 which has been deposited into General Revenue. All DOR collection fees are deposited into General Revenue and are not retained by DOR.

Therefore the current outstanding balance is \$40,063,518.43 (\$42,075,000 - \$2,011,481.57). Therefore if all political subdivision file their report and receive the reduction it would be a loss of \$36,057,166.59 in fine revenue. The new provisions to this proposal call for DOR notification to initiate a ballot measure that could dissolve political subdivisions that fail to timely submit annual financial statements after January 1, 2021.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a potential loss of fine revenue stated by DOR to the general revenue fund for this proposal. Also, Oversight notes that because of the new language for certain local political subdivisions who have gross revenues of less than \$5,000 or who have not levied or collected a sales and use tax in the fiscal year or if the failure to file a financial statement is the result of fraud or illegal conduct by an employee or officer of the political subdivision and the political subdivision complies with filing the financial statement within thirty days of the discovery of the fraud or illegal conduct, then the fine shall not be assessed and could result in a savings to local political subdivisions on fine fees. Therefore, Oversight will also reflect a savings to local political subdivisions of \$0 to unknown for this proposal.

ASSUMPTION (continued)

Oversight also notes that the loss in fine revenue collected by DOR would result in a savings to the local political subdivisions who would no longer need to pay the fine revenue. It would also result in a loss of revenue to School Districts on these fines no longer being collected. Therefore, Oversight will reflect a savings to local political subdivisions on the fines no longer being collected and a loss of 98% of the fine revenue no longer going to the school districts for this proposal. Oversight notes that the Department of Revenue is allowed to retain two percent of the fine revenue collected (per §105.145.11). Oversight assumes a large portion of the \$40,063,518 of outstanding fines would be considered uncollectible. Therefore, Oversight will range the fiscal impact from this proposal from \$0 to DOR's estimates.

Oversight also notes that DOR noted \$2,000 in system updates for this proposal. Oversight assumes DOR is provided with core funding to handle a certain amount of computer activity from each year's legislative session. Oversight assumes DOR could absorb the system update costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Therefore, Oversight will reflect a \$0 fiscal impact to this part of the proposal.

In response to similar legislation (HB 1854 - 2020), officials from the **Office of the Attorney General (AGO)** stated that the AGO's involvement in the process for dissolution of political subdivisions created through this version of the legislation has been removed and, therefore, will have no fiscal impact.

In response to similar legislation (HB 1854 - 2020), officials from the **Office of the Secretary of State (SOS)** stated 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

In response to similar legislation (HB 1854 - 2020), officials from the **Office of the State Courts Administrator**, the **State Auditor's Office** and the **Joint Committee on Administrative Rules** each assume no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1854 - 2020), officials from the **City of Kansas City**, the **City of Springfield**, the **St. Louis County Board of Elections**, the **Platte County Election Board** and the **Kansas City Election Board** each assume no fiscal impact to their respective entities from this proposal.

Oversight notes, in response to similar legislation (HB 1854 - 2020), the Office of the State Courts Administrator, the State Auditor's Office, the Joint Committee on Administrative Rules, the City of Kansas City, the City of Springfield, the St. Louis County Board of Elections, the Platte County Election Board the Kansas City Election Board and the Jackson County Election Board have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Section 135.305 - Wood Energy Tax Credit

In response to similar legislation, (SB 674 - 2020) officials from **B&P** stated this proposal has no direct impact on B&P, no impact on General Revenue (GR) or Total State Revenue (TSR) nor will it impact the calculation under Article X, Section 18(e).

Oversight's policy is to show the extension of the tax credit in the fiscal note. Oversight will show the revenue reduction (TSR and GR) for Fiscal Year(s), beginning in Fiscal Year 2021, as a continuation at the current appropriation level (\$1,500,000) or up to the \$6 million annual cap.

In response to similar legislation, (SB 674 - 2020) officials from **DOR** stated the Wood Energy Tax Credit has a \$6 million annual cap that is subject to appropriations. The legislature appropriated \$1 million in Wood Energy Tax Credits in Fiscal Year 2018 and Fiscal Year 2019. The legislature appropriated \$1.5 million in Wood Energy Tax Credits in Fiscal Year 2020. The Wood Energy Tax Credit authorized under this section is not currently allowed additional authorizations after June 30, 2020. This proposed legislation would extend the sunset date applied to the credit until June 30, 2026.

ASSUMPTION (continued)

Oversight's policy is to show the extension of the tax credit in the fiscal note. Oversight will show the revenue reduction (TSR and GR) for Fiscal Year(s), beginning in Fiscal Year 2021.

In response to similar legislation, (SB 674 - 2020) officials from the **Missouri Department of Natural Resources** has stated the proposed legislation would not have a direct fiscal impact on that organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes this proposed legislation extends the expiration date or end date for the Wood Energy Tax Credit authorized under Section 135.305 from June 30, 2020 to June 30, 2026. The issuance of the Wood Energy Tax Credit is subject to appropriation by the General Assembly and has a cap of \$6 million for each fiscal year. Oversight notes the previous three fiscal year's appropriations for the Wood Energy Tax Credit were:

Fiscal Year 2020 - \$1.5 million (HB 6)
 Fiscal Year 2019 - \$1.0 million (HB 2007)
 Fiscal Year 2018 - \$1.0 million (HB 7)

Oversight notes, according to the Tax Credit Analysis submitted by the Department of Natural Resources regarding the Wood Energy Tax Credit program, the Wood Energy Tax Credit had the following activity:

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (full year) Est.	FY 2021 (budget year) Est.
Certificates Issued (#)	7	7	9	7	0
Projects (#)	7	7	9	7	0
Amount Authorized	\$970,000	\$970,000	\$678,887	\$1,455,000	\$0
Amount Issued	\$970,000	\$970,000	\$678,887	\$1,455,000	\$0
Amount Redeemed	\$1,374,622	\$891,087	\$789,077	\$989,077	\$989,077
FY 2020 EST. Amount Outstanding		\$1,388,703	FY 2020 EST. Amount under review to be Authorized and Issued		\$3,701,213

Since the cap for this tax credit is \$6 million annually (subject to appropriation), for purposes of this fiscal note, Oversight will present the extension of the tax credit as a continuation of the current appropriation level (\$1,500,000) up to the \$6 million annual cap.

ASSUMPTION (continued)

Section 135.550 - Domestic Violence Tax Credit

In response to similar legislation (SB 958 - 2020), officials from **DOR** stated Currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a shelter for victims of domestic violence. No taxpayer is allowed to claim more than \$50,000 and the total cumulative cap on the program is two million annually.

DOR notes the current tax credit program has issued the following amount of credits:

FY 2015	\$1,426,180
FY 2016	\$1,892,974
FY 2017	\$1,611,058
FY 2018	\$1,871,245
FY 2019	\$1,852,801

This proposal expands the existing program to allow a nonprofit organization established and operating for the purpose of a shelter for victims of domestic violence and are operated by the state or a political subdivision to also receive this credit as well as rape crisis centers. This could potentially expand the number of taxpayers that could claim the tax credit.

Assuming the \$1,730,852 had been half of the domestic violence shelters contributions, then increasing the tax credit percent to seventy percent would have resulted in \$2,423,193 in tax credits. An increase of \$692,341. The increased percent of the credit could result in additional contributions being made to domestic violence shelters, but the Department does not have any information as to how many more contributions would be made. The Department assumes this would increase the loss to General Revenue that could exceed \$692,341.

Officials from the **Missouri Department of Commerce and Insurance (DCI)** assume a potential unknown negative impact of premium tax revenues (up to the tax credit limit established in the bill) as a result of the Domestic Violence & Rape Crisis Center and the Capitol Complex tax credit. Premium revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

ASSUMPTION (continued)

Oversight notes, per the Tax Credit Analysis Form, for the Shelter for Victims of Domestic Violence Tax Credit, the following activity has been recognized:

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (Est)	FY 2021 (Est)
Certificates Issued (#)	2364	2403	2035	2450	2450
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	\$1,611,058	\$1,871,245	\$1,752,801	\$1,800,000	\$1,800,000
Amount Issued	\$1,611,058	\$1,871,245	\$1,852,801	\$1,800,000	\$1,800,000
Amount Redeemed	\$1,476,638	\$1,510,572	\$883,099	\$1,300,000	\$1,300,000

Oversight notes, in Fiscal Year 2020, \$1,800,000 is projected to be issued in Domestic Violence Shelter Tax Credit(s).

Oversight notes this proposed legislation expands the definition of “shelter for victims of domestic violence” to include a non-profit organization established and operating exclusively for the purpose of supporting a shelter for victims of domestic violence operated by the state or one of its political subdivisions and adds the definition of “rape crisis center.” Oversight assumes the expansion of the definition of shelter for victims of domestic violence and adding rape crisis centers to eligible entities expands and increases the number of entities that are permitted to award Domestic Violence Shelter Tax Credits to donors. Oversight assumes the increase in the number of entities that are permitted to award such tax credits could increase the participation in the tax credit program.

Also, **Oversight** notes this proposed legislation increases the tax credit percentage from 50% of the donation to 70% of the donation beginning Fiscal Year 2022. Oversight assumes the increase in tax credit percentage could provide incentive for increased participation in the program.

Oversight further notes this proposed legislation increases, for all fiscal years beginning on or after July 1, 2021 (Fiscal Year 2022), the cumulative amount of tax credits that may be claimed by all the taxpayer’s contributing to shelters for victims of domestic violence from \$2 million to \$4 million.

ASSUMPTION (continued)

Therefore, for purposes of this fiscal note, Oversight will report the fiscal impact as an amount equal to a negative "Up to \$2,200,000" annually beginning in Fiscal Year 2022, as a result of the \$2 million increase in the cap, plus the potential increased utilization of the tax credit of \$200,000 in Fiscal Year 2021 (current \$2 million cap - Fiscal Year 2021 estimated issuances of \$1.8 million) from expanding the definition of "shelter for victims of domestic violence" and adding the definition of "rape crisis center."

Section 137.115, 137.180, 137.275, 137.355, 137.385, 138.060, 138.090, 138.434

Officials from the **State Tax Commission (STC)** state the comparable property notification in 137.180 and the date changes from June 15 to the first have no fiscal impact on the STC. The two amendments have no fiscal impact on the STC.

STC has reviewed the proposed legislation and determined, in current law, for property assessment appeals to the boards of equalization in St Louis County, St Louis City and St Charles County, the assessor has the burden of proof that the valuation does not exceed the true market value of the property. Additionally if a physical inspection of the property is required for assessment (proposed as increase over 15% for sub class 1 residential) the assessor has the burden to prove such inspection was performed and the property owner prevails if the requirement was not performed. This proposal extends these provisions and requirements to all counties and the City of St. Louis . The fiscal impact is unknown and would be at the local (County) level on local assessment officials as said requirements will likely require the need for additional qualified appraisal staff and resources to fulfill the provisions of this act.

The act amends section 138.434 increases the limits for St. Louis County as reimbursement to taxpayers for successful residential appeals to the State Tax Commission for appraisal costs , attorney fees, court costs, to \$6,000 for residential appeals and the lesser of \$10,000 or 25% of the tax savings for other non-residential appeals. This provision would have an unknown potential fiscal impact on the County.

§137.180, 137.275, 137.355, 137.385 and 138.090 Appeal Deadline

In response to similar legislation (SB 676 - 2020) officials from **Lawrence County Assessor's Office** stated there needs to be more time for the taxpayer to be able to contact their assessor for an informal hearing. This provision will have no fiscal impact on their organization.

ASSUMPTION (continued)

In response to similar legislation (SB 676 - 2020) officials from the **Wright County Assessor's Office** assumed the time frame for all the changes will be hard for some counties to meet due to limited staffing, due to limited money to hire adequate amount of staff.

Oversight assumes this proposal moves up the deadline for when a county assessor must notify property owners of a change in their assessed valuation and changes the deadline for when homeowners can file an appeal. Oversight notes some county assessors indicated there could be costs for additional staff to meet the new deadlines. Therefore, Oversight will show an unknown cost to local county assessors.

§137.115 and 138.060 Inspections and Burden of Proof

In response to similar legislation (SB 676 - 2020) officials from the **Jasper County Assessor's Office** assume the burden of proof is put on the County Assessor, the impact to the Jasper County Assessor for 2019, (since we have no data for 2020 yet), would have been, according to our Board of Equalization hearings, as follows:

22 Commercial hearings X \$1,000 (going rate for a Certified Commercial Appraiser) =	\$22,000
97 Residential hearings X \$450. (going rate for a Certified Residential Appraiser) =	<u>\$ 43,650</u>
For a total of:	\$ 65,650

These approximate costs would not include the Certified Appraiser's charge to attend the hearings. That would be an additional hourly charge. This estimate does not include the extra costs needed for additional BOE hearings. Also, we would have attorney fees of approximately \$30,000.

If we were to hire an in-house Certified Appraiser the above fee would be comparable to an annual salary for that individual. This salary is more than I make as the Assessor. We would have the burden of hiring a Certified Appraiser for each hearing held. Our current budget would not allow for these expenses since the State reimbursement per parcel was reduced from \$6.00 per parcel down to \$3.00 per parcel.

In response to similar legislation (SB 676 - 2020) the **Caldwell County Assessor's Office** state they have 8,787 parcels in their third-class county. It would cost \$1,100 for an appraisal on each property that is appraised and appealed through the BOE hearings. This office could easily have 200 appeals at a cost of \$220,000. The office would need another employee at \$30,000. This would cost \$250,000 for the year 2021 and double that for the year 2023.

ASSUMPTION (continued)

In response to similar legislation (SB 676 - 2020) officials from **Ste Genevieve County Assessor's Office** estimate the financial burden that this proposal would put on Ste Genevieve County to be in the range from \$100,000 to \$5,000,000. Not only would we have to hire additional personnel (3-4 certified appraisers), but we would also incur additional outside appraisal and legal fees.

Approximately 25% of the Ste Genevieve County assessed value comes from mining, that requires a team of expert Appraisers, Attorneys, and Accountants.

The 2019 certified parcel count for Ste Genevieve County is 18,635. I do not know how the Assessor's Office could fund the "burden of proof" responsibility because of a few scenarios listed below:

- I just incurred approximately \$5000 in expenses for an appeal, that to date has not required an appraisal. $18,635 \times \$5000 = \$93,175,000$ if all taxpayers filed appeals.
- If 50% of the taxpayers filed an appeal that would require basic legal and appraisal fees, I estimated $18,635 \times 50\% \times \$20,000 = \$186,350,000$.
- If 15% of the Commercial taxpayers were to appeal, I estimated legal and appraisal fees at $100 \times \$50,000 = \$5,000,000$.
- There is currently one taxpayer in Ste Genevieve County that will be converting from a Chapter 100 Agreement to ad-valorem taxation. An appeal from that Company could easily cost Ste Genevieve \$1,000,000 plus in legal, accounting, and appraisal expenses.

Changing the deadline from June 15th to June 1st currently would have no financial impact on Ste Genevieve County.

In response to similar legislation (SB 676 - 2020) officials from Officials from **Stone County** estimate the cost increases at \$1,000,000 for appraisals, lawyers and court fees, and the hiring of employees to assist with compiling information on BOE cases.

In response to similar legislation (SB 676 - 2020) officials from **Warren County Assessor's Office** estimated this would cost an additional \$1 million or more with the appeals process.

ASSUMPTION (continued)

Oversight notes Missouri has 2 counties and one city not in a county which are already subject to the burden of proof requirements listed in this proposal (St. Charles County, St. Louis County and the City of St. Louis). Oversight notes this proposal expands the burden of proof requirements to the other 112 counties in Missouri. The average salary for a certified appraiser is \$55,190 per the Missouri Economic Research and Information Center (MERIC) Occupational Employment and Wage Estimates (OES). If half of the 112 counties had to hire an appraiser at \$55,190 the cost to counties is estimated at \$3,090,640 ($\$55,190 * 56$).

Oversight assumes some counties may be required to hire more than one appraiser and/or other staff as well as additional software or equipment. Therefore, Oversight will show a cost to counties that could exceed \$3,090,640 for additional staff, equipment or services to meet the requirements of this proposal.

Section 143.121 and 143.171 - Taxability of Stimulus Payments

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Currently, Oversight is unable to provide an impact for these sections. Upon further conversation with agencies and receipt of agency responses, Oversight will review the need to seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 143.425 - Taxation of Partnerships

In response to the previous version of this proposed legislation, officials from **B&P** stated this proposal may increase Total State Revenue (TSR) and General Revenue (GR) by an unknown amount.

This proposal will not impact the calculation under Article X, Section 18(e).

Current Missouri law prohibits the Missouri Department of Revenue (DOR) from adjusting any returns filled by the individuals within a partnership based on an IRS audit at the entity level. This proposal would allow DOR to assess and collect taxes directly from the partnership entity following a federal audit.

ASSUMPTION (continued)

With the passage of the Bipartisan Budget Act, the IRS began auditing partnerships at the entity level. If the IRS determines that the partnership owes taxes they will levy that additional tax on the entity itself, not pass the taxes owed to the individuals within the partnership. This change in federal audit rules began in Tax Year 2018.

This proposal would allow DOR to assess and collect taxes directly from the partnership entity following a federal audit. Without this change, DOR may be unable to collect (or refund) any taxes owed by a partnership following the findings of an audit by the IRS.

Therefore, this proposal may increase TSR and GR by an unknown amount if DOR is able to collect additional state taxes owed after a partnership has been audited by the IRS.

B&P noted that this will not impact the calculation under Article X, Section 18(e) as these are taxes that would otherwise be owed to the state. This proposal may enhance collections of such taxes.

In response to the previous version of this proposed legislation, officials from **DOR** stated the proposed section, broadly speaking, sets forth reporting and payment requirements for partnerships at the individual partner and/or entity level in the event of an entity-level audit by the IRS or other federal entity-level adjustment. This new IRS partnership audit regime, under which the IRS will generally audit and make changes to partnership items at the partnership level instead of flowing the changes through to individual partners, began on January 1, 2018.

The new partnership audit regime will affect IRS audits of Tax Year 2018 and Tax Year 2019 partnership tax returns, and onwards. The new regime applies to tax years beginning after December 31, 2017 and continues indefinitely. These tax returns started being filed in 2019. Thus, the IRS would begin auditing Tax Year 2018 returns, at earliest, sometime in Calendar Year 2019. (This does not take into consideration short tax years).

Partnerships were also given an option to opt-in to this new audit regime early; partnerships that made the election to opt-in early could have received partnership-level adjustments as a result of an IRS audit for partnership tax years beginning on or after November 2, 2015.

This proposal would allow DOR to assess and collect taxes directly from the partnership entity following a federal audit. Without this change, DOR may be unable to collect (or refund) any taxes owed by a partnership following the findings of an audit by the IRS. Therefore, this proposal may increase TSR and GR by an unknown amount if DOR is able to collect additional state taxes owed after a partnership has been audited by the IRS.

ASSUMPTION (continued)

Oversight notes, currently, DOR may adjust tax on the returns of individual partners of partnerships upon findings through amended tax(es) filed by the individual partners themselves or through Discovery programs operated by DOR. These Discovery programs receive information from the IRS in relation to adjustments made to the federal tax filings of Missouri residents. If DOR believes it to be necessary, they will adjust individual partner's Missouri tax filing(s) to reflect those changes received from the IRS and assess or refund accordingly.

The United States Congress passed the Bipartisan Budget Act (2015) which entitles the IRS to audit partnerships at the entity level rather than passing the changes on to the individual partner level. If the IRS finds that adjustments are required, the IRS will make the necessary adjustments on the partnership return rather than passing the tax on to the individual partners.

Currently, DOR is unable to perform adjustments at the partnership level deemed necessary through their Discovery programs. This proposed legislation would allow DOR to make such adjustments. Oversight notes this proposed legislation is following the changes made at the IRS level under the Bipartisan Budget Act (2015). Oversight further notes it allows DOR to continue to adjust tax returns as they have in the past, but with new methods.

Oversight assumes without this change, DOR would no longer be able to collect the unreported changes to partnership returns recognized under DOR's Discovery programs, as they would no longer be reported at the individual (partner) level. Thus, TSR and GR could be reduced by an unknown amount.

For purposes of this fiscal note, **Oversight** will show a fiscal impact of \$0 or Unknown to (Unknown). Zero would be recognized if DOR received the additional tax assessments or made the additional tax refunds equal to the amounts in the past. Unknown would be recognized if DOR collects a greater amount of additional tax assessments due to the passage of this proposed legislation and (Unknown) would be recognized if DOR receives a lesser amount of additional tax assessments or must make a greater amount of refunds due to the passage of this proposed legislation.

In response to the previous version of this proposed legislation, officials from the **Office of the Secretary of State (SOS)** state 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

ASSUMPTION (continued)

from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to the previous version of this proposed legislation, officials from the **Joint Committee on Administrative Rules (JCAR)** assumed this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Section 143.991- Tax Refund(s) for Victims of Terrorist Attacks

In response to similar legislation, officials from **B&P** stated this proposed legislation would exempt specified terrorist victims from income tax beginning with the year of their injury through the year of the individual's death. B&P notes a specified terrorist victim is defined as an individual who died or was injured due to the 9/11 terrorist attacks or the anthrax attacks which took place between September 2001 and December 2001.

B&P notes the exemption proposed would not include deferred compensation payments or income that would not have occurred but for actions taken after 9/11.

B&P notes, based on information published by the CDC, there are 100 to 499 individuals living in Missouri and enrolled in the World Trade Center Health Program. B&P was unable to find data to the number of qualified anthrax survivors living within Missouri.

ASSUMPTION (continued)

B&P further notes, based on data published by the U.S. Bureau of Economic Analysis the median per capita income in Missouri for 2018 was \$47,746. Therefore, B&P estimates that this proposal may exempt from \$4.8 million (100 x \$47,746) to \$23.8 million (499 x \$47,746) in income. However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

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Tax Year	TY20	TY21*	TY22*	TY23*
Tax Rate	5.40%	5.30%	5.20%	5.10%
Low Estimate	\$257,828	\$253,054	\$248,279	\$243,505
High Estimate	\$1,286,564	\$1,262,738	\$1,238,913	\$1,215,088

*Assumes each SB 509 (2014) trigger is reached for rate reduction

B&P estimates that this proposal could reduce Total State Revenue (TSR) and General Revenue (GR) by \$257,828 to \$1,286,564 (tax year 2020 top tax rate is 5.4%) in Fiscal Year 2021. Once SB 509 (2014) has fully implemented, this proposal could reduce TSR and GR by \$243,505 to \$1,215,088 annually.

ASSUMPTION (continued)

B&P noted the impact in the first year may be greater than the estimates shown above if individuals amend prior tax returns to exempt qualifying income.

B&P further noted that over time qualifying individuals are likely to receive more income from non-taxable sources (such as social security payments); therefore, the impacts of this proposal may decline in the future.

Oversight notes B&P estimates this proposed legislation could reduce TSR and GR by an amount equal to \$257,828 to \$1,286,564 in Fiscal Year 2021 and by an amount equal to \$243,505 to \$1,215,088 when fully implemented.

In response to similar legislation, officials from **DOR** stated Section 143.991.3 of this proposed legislation would make the income tax provisions of Chapter 143 inapplicable to a specified terrorist victim. DOR notes a specified terrorist victim is defined as a decedent who dies as a result of the 9/11/01 terrorist attacks, or who dies as a result of the anthrax attack(s) between 9/11/01 and 1/1/02.

DOR states DOR is unable to determine how many taxpayers may qualify for the provisions of put forth in this proposed legislation. DOR assumes the loss to Total State Revenue (TSR) and General Revenue (GR) would be minimal.

Oversight notes this proposed legislation would provide personal income tax relief to individuals who meet the definition of specified terrorist victim. Oversight notes a specified terrorist victim is defined as a decedent who dies as a result of wounds or injury incurred as a result of the terrorist attacks against the United States on September 11, 2001 or as a result of illness incurred as a result of an attack involving anthrax occurring on or after September 11, 2001, and before January 1, 2002.

Subsequently, **Oversight** assumes an individual must decease before such individual qualifies for the exemption set forth in this proposed legislation. Therefore, Oversight assumes amended tax returns would be filed by an executor of the deceased individual.

Oversight assumes this proposed legislation would exempt, for a specified terrorist victim, income for any prior taxable year beginning with the tax year ending before the tax year in which the wounds or injury were incurred to the tax year in which falls the death of the qualified individual.

ASSUMPTION (continued)

Oversight notes, for each qualifying individual, a total of 21 tax years **could** be amended to benefit from the exemption set forth at the time this proposed legislation is enacted on August 28, 2020 (beginning in the tax year ending before the taxable year in which the wounds or injury were incurred (2000) to Tax Year 2020). Oversight assumes the number of tax years that **could** be amended to benefit from the exemption set forth could increase each year qualifying individuals remain alive.

Oversight is unable to determine how many qualifying taxpayers have deceased or will become deceased in specific future years. Furthermore, Oversight is unaware of the qualifying individuals' income that would become exempt under this proposed legislation.

Oversight notes the State of Connecticut allows for a similar exemption. However, Connecticut's law allows for an exemption of income tax to specified terrorist victims only in the taxable year in which falls the date of his or her death.

New York allows for an income tax exemption for Tax Year 2000 and all later tax years up to and including the year of the death of an individual, as a result of the September 11, 2001 terrorist attacks.

New Jersey allows an exclusion for income of victims who died as a result of the September 11, 2001 terrorist attacks which applies for Tax Year 2000 and all later years up to and including the year of death.

Since Oversight is unaware of how many qualifying individuals will decrease each year, for purposes of this fiscal note, Oversight will show a revenue reduction to GR equal to and amount that could exceed one individual's per capita income for Missouri for 2018; \$47,746.

Section 144.757 - Local Use Tax

In response to similar legislation (SB 652 - 2020) officials from **B&P** stated this section would alter the ballot language for certain local sales and use taxes which must be voter approved. The language removes the \$2,000 minimum threshold required before a purchaser must file a use tax return. B&P notes that currently Missouri residents are not required to file a use tax return until total purchases within a calendar year reaches \$2,000. However, once that minimum threshold has been reached, taxpayers are already required to pay use tax on the full amount of purchases,

ASSUMPTION (continued)

not just the amount over \$2,000. While use tax is legally due on all out-of-state purchases, B&P notes that it is not cost effective to audit taxpayers whose online purchases are lower than \$2,000. Therefore, B&P estimates that this section will not impact TSR or the calculation under Article X, Section 18(e).

In response to similar legislation (SB 652 - 2020) officials from **DOR** assumed no fiscal impact to their respective agencies from this section.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for this section.

Officials from the **City of Columbia** state they could recognize a positive impact if local voters approve a use tax.

Section 205.202 - Hospital Districts - Wayne County - Sales Tax in Lieu of Property Tax

In response to similar legislation, (SCS for SB 616 - 2020) officials from **DOR** stated this section will have no fiscal impact on their organization.

The proposal clarifies what happens upon dissolution of a hospital district that was levying a sales tax. The sales tax is to be distributed 25% to the county public health center and 75% to the federally qualified health center.

Officials from DOR state they stopped collecting this tax in September, 2019

Oversight notes the provisions of this proposal apply to Ripley County. Oversight also notes the Ripley County Memorial Hospital closed in October 2018, leading to the question of what to do with the sales tax proceeds that have been collected under Section 205.202. Ripley County officials did not respond to Oversight's request for a statement of fiscal impact. Therefore, Oversight assumes the proposal will have no net fiscal impact to entities within Ripley County and any sales tax funds collected for the hospital district will be distributed 25% to the Ripley County Public Health Center and 75% to Big Springs Medical Association/Missouri Highlands Health Care, the federally qualified health center (FQHC). Oversight will reflect this final distribution occurring in FY 2021, and netting to zero. Oversight does not know what sales tax proceeds will be available for this distribution; therefore, Oversight will assume unknown amounts to the various entities.

ASSUMPTION (continued)

Oversight notes in response to similar legislation, (SCS for SB 616 - 2020) the **Department of Health and Senior Services** and the **Department of Social Services** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 321.552 - Fire Protection Districts - Sales Tax

In response to similar legislation, (HB 2386 - 2020) officials from **DOR** stated this section would allow any governing body of an ambulance or fire protection district to impose a sales tax in an amount up to one percent on all retail sales made in such district. Previously the cap was at one-half of one percent. This proposal would not allow the districts in Cape Girardeau, Christian, Cole, Clay, Greene, Jackson, Jefferson, St. Charles County, St. Charles County and St. Louis City to increase their rates. In order to increase the sales tax the district would be required to hold an election and notify the Department of the increase. If the election were held in April 2021, then the tax would not be remitted until July 2021 (Fiscal Year 2022).

Using information on the amount of sales tax collected, DOR calculated how much additional revenue would be raised by the districts if all raised their sales tax to the maximum 1% allowed by this proposal bellow.

Districts - Various Percentages	0.005	0.0025	0.00375	0.0045
Tax Base	10,240,964,864	1,843,205,900	849,942,243	664,923,916
New 1% Rate	\$ 102,409,649	\$ 18,432,059	\$ 8,499,422	\$ 6,649,239
Net Increase	\$ 51,204,824	\$ 13,824,044	\$ 5,312,139	\$ 3,657,082
1% DOR Fee*	\$ 512,048	\$ 138,241	\$ 53,121	\$ 36,571
District Increase*	\$ 50,692,776	\$ 13,685,804	\$ 5,259,018	\$ 3,620,511

* 1% DOR Fee = \$512,048+\$138,240+\$53,120+\$36,571 = 739,981

*District Increase total = \$50,692,776+\$13,685,804+\$5,259,018+\$3,620,511 = 73,258,108

ASSUMPTION (continued)

The Department is allowed to retain 1% for collection costs, so this would be an increase to General Revenue of \$739,981 if all the subdivisions raised the tax to the maximum allowed.

This would impact General Revenue \$0 or up to \$739,981 starting in FY 2022

This would impact local political subdivisions \$0 or up to \$73,258,108 starting in FY 2022.

However, **Oversight** notes this proposed section would only be in effect if the voters voted on the proposal put forth by an ambulance district or fire district on a general election so long as that general election is not before the 2022 General Election.

Oversight notes the earliest this proposal could be implemented is the 2022 General Election. Oversight assumes this will occur after July 1, 2022. Therefore, Oversight will report the fiscal impact stated above beginning in Fiscal Year 2023.

Oversight notes currently there are 78 districts that collect a sales tax (60 ambulance districts and 18 fire protection districts). For FY 2019, the distribution of sales tax revenue to the 60 ambulance districts totaled \$58 million, while the distribution to the 18 fire protection districts totaled \$19.7 million. Assuming most of these are collecting .5% sales tax, the potential to double the sales tax rate (depending upon voter approval) would total \$77.7 million (\$58 m + \$19.7 m), which is similar to the estimate provided by DOR. Therefore, Oversight will utilize DOR's estimate beginning in Fiscal Year 2023.

In response to similar legislation, (HB 2386 - 2020) officials from the **Department of Conservation (MDC)** assumed the proposal will have unknown fiscal impact but greater than \$100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Any increase in sales and use tax collected would increase revenue to the Conservation Sales Tax funds. However, the initiative is very complex and may require adjustments to Missouri sales tax law which could cause some downside risk to the Conservation Sales Tax. The Department assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

In response to similar legislation, (HB 2386 - 2020) officials from the **Department of Natural Resources (DNR)** assume the proposal will have no direct impact to their organization.

ASSUMPTION (continued)

In response to similar legislation, (HB 2386 - 2020) officials from the **Department of Public Safety - Fire Safety** and **Department of Public Safety Missouri Highway Patrol** both assumed the proposal will have no impact on their respective organizations.

In response to similar legislation, (HB 2386 - 2020) officials from **City of Kansas City, Kansas City Election Board, Jackson County Election Board, and Saint Louis County Board of Election** each assumed the proposal will have no impact on their respective organizations.

Section 347.044, 347.179, 347.183, 358.460, 358.470 - Limited Liability Companies - Information Requests

In response to similar legislation, (SB 720 - 2020) officials from the **Office of the Secretary of State (SOS)** assumed Total State General Revenue regarding these particular filings will decrease, for Limited Liability Company, and decrease for Limited Liability Partnerships.

A new filing of Information Statement for LLCs will start in 2023 and affect LLCs every five years thereafter for each new registration resulting in a positive fiscal impact.

These estimates assume various rate of participation and use an averaging of historical data to determine estimations.

347.044-347.183 (LLC)

	<u>GR 101</u>	<u>TECH 266</u>
FY2021	\$(423,855)	\$180
FY2022	\$(299,629)	\$216
FY2023	\$(260,216)	\$225

358.460-358.470 (LLP)

	<u>GR 101</u>	<u>TECH 266</u>
FY2021	\$(565)	
FY2022	\$(590)	
FY2023	\$(545)	

Fiscal impact for the year FY2023-FY2026 347.044-347.183 (LLC)

ASSUMPTION (continued)

	<u>GR 101</u>	<u>TECH 266</u>
FY2023	\$ 326,175	\$ 165,904
FY2024	\$ 655,959	\$ 504,584
FY2025	\$ 359,515	\$ 276,550
FY2026	\$ 303,875	\$ 276,550

Secretary of State's office is a silo IT department. All changes to software would require working with a third party vendor and/or the Information Technology department. Resulting in an estimated expenditure of \$85,000.

Oversight will reflect the fiscal impact as provided by SOS.

Section 620.2005 - Missouri Works Program

Due to time constraints of less than 8 hours, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Currently, Oversight is unable to provide an impact for this section. Upon further conversation with agencies and receipt of agency responses, Oversight will review the need to seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 620.3210 - Capitol Complex Tax Credit

In response to similar legislation, (SCS for SB 586 - 2020) officials from **B&P** stated this proposal would create a tax credit for individuals or entities that make eligible monetary or artifact donations to the Capitol Complex Fund, beginning January 1, 2020. Taxpayers may claim a tax credit for an amount up to 50% of their eligible monetary donation or for an amount up to 30% of their eligible artifact donation. The credit for monetary donations is refundable or can be carried forward to any of the four subsequent taxable years. The credit for eligible artifact donations has a four-year carry-forward provision. Issuances of these tax credits are capped at \$10,000,000 annually. These tax credits may offset Tax Year 2020 liabilities; therefore, reducing General Revenue (GR) and Total State Revenues (TSR) by an amount up to \$10,000,000 annually beginning in Fiscal Year 2021.

ASSUMPTION (continued)

This proposal would also create the Capitol Complex Fund that will be used for maintenance, renovations, and rehabilitation of the Capitol Complex, administered by the Missouri Development Finance Board. Revenues for this fund will consist of monetary donations. Because this fund will be a Missouri Development Finance Board fund outside the State Treasury, it will have no impact on TSR.

Oversight notes the tax credit created under Section 620.3210 of this proposed legislation is awarded to qualified donors who make eligible monetary donations equal to fifty percent (50%) of the donation and to qualified donors who make eligible artifact donations equal to thirty percent (30%) of the donation. Only revenues from eligible monetary donations of this proposed legislation would be deposited into the Capitol Complex Fund. The cumulative cap for tax credits created under this proposed legislation is \$10 million annually. Oversight notes the \$10 million cap is for both eligible monetary donations and eligible artifact donations. Thus, Oversight assumes the maximum amount that could be deposited into the Capitol Complex Fund by means of eligible monetary donations is \$20 million annually provided no eligible artifact donations are recognized. The estimated amount deposited into the Capitol Complex Fund is dependent on eligible monetary donations; the estimated amount deposited could be reduced for every eligible artifact donation as no revenues are deposited into the Capitol Complex Fund from artifact donations while the donation itself would lessen the shared amount available within the \$10 million tax credit cap.

In response to similar legislation, (SCS for SB 586 - 2020) officials from **Missouri Department of Economic Development (DED)** stated this creates the Capitol Complex Tax Credit Act. Beginning January 1, 2020, a donor gets a tax credit equal to fifty percent (50%) for monetary donations and thirty percent (30%) for artifact donations. This proposed legislation places a cap of \$10 million in authorizations per year. This is the impact to TSR since it is a reduction of tax revenue.

DED will need to hire one (1) Economic Development Incentive Specialist III (at \$51,808 annually) to administer the program.

Oversight assumes DED could absorb the additional duties and responsibilities of the tax credit program proposed without adding additional FTE; however, due to the uncertainty of how many tax credits will be issued under this proposed legislation, Oversight will range DED's cost from \$0 (FTE can be absorbed) to the estimate(s) provided by DED for one Economic Development

ASSUMPTION (continued)

Incentive Specialist III (FTE is not absorbed) to the Capitol Complex Fund. Oversight notes this proposed legislation allows administrative costs to be paid out of the Capitol Complex Fund. Therefore, Oversight assumes GR would not be impacted by adding DED's FTE. Oversight notes, however, this proposed legislation would not require in-state or out-of-state travel for DED. Therefore, Oversight has adjusted the expenses reported by DED to remove the in-state and out-of-state travel expenses reported.

In response to similar legislation, (SCS for SB 586 - 2020) officials from **DOR** stated this section creates the "Capitol Complex Tax Credit Act." For all taxable years beginning on or after January 1, 2020, this act authorizes a tax credit against the taxes otherwise due under Chapter 143 and 148, except for Section(s) 143.191 to 143.265, for all monetary and artifact donations. The tax credit for monetary donations shall not exceed fifty percent (50%) of the eligible donation, is refundable and may be carried forward up to four taxable years. The tax credit for artifact donations shall not exceed thirty percent (30%) of the eligible donation, is not refundable but may be carried forward up to four taxable years. No more than \$10 million in tax credits shall be authorized in any given calendar year.

This proposed legislation establishes the "Capitol Complex Fund", which is authorized to receive any eligible monetary donation as provided in the section. The "Capitol Complex Fund" shall be separated into two accounts: a rehabilitation and renovation account and a maintenance account. The distribution of the funds shall be 90% to the rehabilitation and renovation account and 7.5% to the maintenance account. The remaining 2.5 percent may be used for soliciting donations to the fund, advertising and promoting the fund, and administrative costs of the fund.

DOR assumes this would cause a negative impact to GR up to \$10 million annually starting in Fiscal Year 2021.

Oversight notes the tax credit program authorized under this proposed legislation would begin January 1, 2020. Tax Year 2020 tax returns claiming the tax credit(s) authorized under this proposed legislation would not be filed until after January 1, 2021(Fiscal Year 2021). Therefore, Oversight will show the revenue reduction to GR and TSR, as it relates to the tax credit beginning in Fiscal Year 2021 and show the revenue gain to the Capitol Complex Fund, as it relates to the donations made, beginning in Fiscal Year 2021.

ASSUMPTION (continued)

In response to similar legislation, (SCS for SB 586 - 2020) officials from the **Office of Administration (OA)** state this bill would create the Capitol Complex Fund (the Fund) to be used for maintenance, renovation, and rehabilitation of the Capitol Complex. Donors to the Fund would be eligible to receive a credit against state income tax for 50% of their donation amount. The bill provides that the Commissioner of Administration would determine what projects are performed with the money from the Fund and how projects will be carried out.

OA and the Office of Administration - Facilities Management, Design & Construction Division (OA-FMDC) assumes this bill could result in OA-FMDC being responsible for additional projects in the Capitol Complex. Without information about the amount of donations that would be received and the nature of the projects that would be performed with the money from the fund, there could be an increase in project work. On the other hand, this bill could have a cost savings for OA-FMDC dependent upon the amount of donations and tax credits that could equitably be used towards projects and maintenance to the buildings.

Officials from the **Missouri Department of Commerce and Insurance (DCI)** state a potential unknown negative impact of premium tax revenues (up to the tax credit limit established in the bill) as a result of the Domestic Violence & Rape Crisis Center and the Capitol Complex tax credit. Premium revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

Oversight notes DCI assumes they could absorb the responsibilities of the tax credit created under this proposed legislation. Should many bills pass which warrant updates to DCI's Premium Tax Database, DCI may seek additional expense and equipment through the appropriation process.

Oversight notes this proposed legislation establishes the Capitol Complex Tax Credit Act for which qualified donors of eligible monetary items and eligible artifact items could qualify for a tax credit to offset tax(es) due under Chapters 143 and 148, other than Withholding Tax(es) authorized under Section(s) 143.191 to 143.265. The tax credit program authorized would begin January 1, 2020. Qualified donors who make eligible monetary donations could qualify for a tax

ASSUMPTION (continued)

credit up to fifty percent (50%) of the amount donated while qualified donors who make eligible artifact donations could qualify for a tax credit up to thirty percent (30%) of the value of the artifact which would be determined by the Board of Public Buildings. Oversight notes the Board of Public Building consists of the Governor, the Attorney General and the Lieutenant Governor. Tax credits authorized for eligible monetary donations could be refunded or carried forward for four taxable periods. Tax credits authorized for eligible artifact donations are limited to the recipients state tax liability and may not be refunded but may be carried forward for four taxable periods.

Oversight notes that no more than \$10 million may be authorized in tax credit(s) under this proposed legislation each calendar year and the tax credits would be issued on a first-come, first-serve basis.

Therefore, **Oversight** estimates GR and TSR could be reduced by an amount up to \$10,000,000 as a result of the tax credit created under this proposed legislation.

Oversight notes the eligible monetary amounts donated by qualified donors would be deposited into the Capitol Complex Fund.

Oversight estimates the maximum deposits into the Capitol Complex Fund each year by means of eligible monetary donations to be \$20 million (\$10 million cap / 50% tax credit).

This proposed legislation provides that the Capitol Complex Fund shall be segregated into two separate accounts; a Rehabilitation and Renovation Account and a Maintenance Account. Oversight notes the proposed legislation states ninety percent (90%) of the revenues received from eligible monetary donations shall be deposited into the Rehabilitation and Renovation Account and seven and one-half percent (7.5%) percent shall be deposited into the Maintenance Account while the remaining two and one-half percent (2.5%) may be used for the purposes of soliciting donations to the fund, advertising and promoting the fund, and administrative costs of administering the fund. Oversight provides the following maximum estimated allocation of revenues generated by eligible monetary donations:

ASSUMPTION (continued)

Capitol Complex Fund		Rehab. And Renovation Account (90%)	Maintenance Account (7.5%)	Soliciting/Advertising/Promotion/ Admin. Costs (2.5%)
Section 620.3210	\$20,000,000	\$18,000,000	\$1,500,000	\$500,000
Total (DED FTE Not Included)	\$20,000,000	\$18,000,000	\$1,500,000	\$500,000
Less DED Admin. Cost	(\$84,157) credited from revenues in last column			
Total (DED FTE Included)	\$19,915,843	\$18,000,000	\$1,500,000	\$415,843

Oversight notes the estimated deposits into the Capitol Complex Fund of \$20 million is dependent on monetary donations and could be reduced by each eligible artifact donation, as tax credits awarded for such a donation do not warrant any deposit into the Capitol Complex fund but would lessen the shared amount available within the \$10 million tax credit cap.

Oversight notes, since the Capitol Complex Fund would be a Missouri Development Finance Board fund, outside of the State Treasurer's Office, there will be no impact to General Revenue (GR) or Total State Revenue (TSR) as a result of the qualified donations.

In response to similar legislation, (SCS for SB 586 - 2020) officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to similar legislation, (SCS for SB 586 - 2020) officials from the **Office of the Secretary of State (SOS)** state 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to similar legislation, (SCS for SB 586 - 2020) officials from the **Governor's Office**, the **Missouri Department of Transportation**, the **Missouri State Treasurer's Office** and the **Missouri Attorney General's Office** have stated this proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for these organizations.

In response to similar legislation, (SB 586 - 2020) officials from the **Lieutenant Governor's Office** stated this proposed legislation would not have a direct fiscal impact on that organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for this organization.

Oversight notes the **Missouri Department of Health and Senior Services**, the **Missouri Department of Transportation**, the **Missouri State Treasurer's Office**, the **Office of State Courts Administrator**, the **Department of Public Safety - Division of Fire Safety**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Attorney General's Office**, the **Missouri Department of Natural Resources** and the **Missouri Department of Social Services** have stated the proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations.

FISCAL IMPACT -
State Government

FY 2021
 (10 Mo.)

FY 2022

FY 2023

Fully
 Implemented
 (FY 2024)

**GENERAL
 REVENUE FUND**

Revenue Gain -
 Section(s) 67.730,
 67.1790, 94.838,
 94.842, 94.844,
 94.900, 94.902,
 321.552 - DOR 1%
 Tax Collection Fee

\$0

\$0 or Could
 \$0 Exceed \$862,063 Exceed \$864,505

Loss - Section
 105.145 - DOR 2%
 collection fee on
 future potential fines
 no longer assessed
 because LPS no
 longer required to
 file

\$0 to (Unknown) \$0 to (Unknown) \$0 to (Unknown) \$0 to (Unknown)

Loss - Section
 105.145 - DOR 2%
 collection fee that
 may have been
 collected if not for
 the one-time
 decrease of 90% of
 the outstanding
 balance from the
 LPS if they submit a
 timely financial
 statement by
 08/28/2020

\$0 or Up to
 (\$721,143)

\$0

\$0

\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
<u>Revenue Reduction -</u> Section 135.550 - Increase in DVC tax credit % and cap	Up to (\$200,000)	Up to (\$2,200,000)	Up to (\$2,200,000)	Up to (\$2,200,000)
<u>Revenue Reduction -</u> Section(s) 143.121 and 143.171 - Stimulus Payment Taxability	*Unknown*	*Unknown*	*Unknown*	*Unknown*
<u>Revenue -</u> Section 143.425 - Taxation of Partnerships	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
<u>Revenue Reduction -</u> Section 143.991 - Refund for Victims of Terrorist Attacks	Could Exceed (\$47,746)	Could Exceed (\$47,746)	Could Exceed (\$47,746)	Could Exceed (\$47,746)
<u>Revenue Reduction -</u> Section 347.044, 347.179, 347.183, 358.460, 358.470	(\$424,420)	(\$300,219)	(\$260,761)	\$0
<u>Revenue Reduction -</u> Section 620.3210 - Capitol Complex Tax Credit	Up to (\$10,000,000)	Up to (\$10,000,000)	Up to (\$10,000,000)	Up to (\$10,000,000)
<u>Revenue Reduction -</u> Section 135.305 - Wood Energy Tax Credit	(\$1,500,000) to (\$6,000,000) *depending on appropriation*	(\$1,500,000) to (\$6,000,000) *depending on appropriation*	(\$1,500,000) to (\$6,000,000) *depending on appropriation*	(\$1,500,000) to (\$6,000,000) *depending on appropriation*

<u>FISCAL IMPACT -</u>				Fully
<u>State Government</u>	FY 2021			Implemented
(continued)	(10 Mo.)	FY 2022	FY 2023	(FY 2024)

ESTIMATED NET	<u>Less than or</u>	<u>Less than or</u>	<u>Less than or</u>	<u>Less than or</u>
EFFECT ON	<u>Greater than</u>	<u>Greater than</u>	<u>Greater than</u>	<u>Greater than</u>
GENERAL	<u>(\$12,893,309) to</u>	<u>(\$14,047,965) to</u>	<u>(\$14,870,570) to</u>	<u>(\$14,612,251) to</u>
REVENUE FUND	<u>(\$17,393,309)</u>	<u>(\$19,410,028)</u>	<u>(\$19,370,570)</u>	<u>(\$19,112,251)</u>

**CAPITOL
 COMPLEX FUND**

<u>Revenue Gain -</u> Section 620.3210 - Total value of monetary donations made by donors for 50% tax credit	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000	Up to \$20,000,000
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<u>Revenue</u> <u>Reduction/Expense -</u> Section 620.3210 - Revenues used for restoration and maintenance of the buildings of the Capitol Complex	(Unknown)	(Unknown)	(Unknown)	(Unknown)
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Cost - DED -
Section 620.3210 -
Administration of
tax credit program
paid from
administration
account

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
Personal Service	\$0 to (\$43,173)	\$0 to (\$52,326)	\$0 to (\$52,849)	\$0 to (\$53,906)
Fringe Benefits	\$0 to (\$23,938)	\$0 to (\$28,897)	\$0 to (\$28,897)	\$0 to (\$29,475)
Equipment and Expense	<u>\$0 to (\$11,215)</u>	<u>\$0 to (\$2,934)</u>	<u>\$0 to (\$2,998)</u>	\$0 to (\$3058)
Total Cost	<u>\$0 to (\$78,326)</u>	<u>\$0 to (\$84,157)</u>	<u>\$0 to (\$84,918)</u>	<u>\$0 or (\$86,439)</u>
FTE Change	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
 ESTIMATED NET EFFECT ON CAPITOL COMPLEX FUND	 <u>Up to</u> <u>\$20,000,000</u>	 <u>Up to</u> <u>\$20,000,000</u>	 <u>Up to</u> <u>\$20,000,000</u>	 <u>Up to</u> <u>\$20,000,000</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue Gain -</u> Section 67.730 - Platte/Clay County Capital Improvement Tax	\$0	\$0	\$0 up to \$63,167,586	\$0 up to \$64,430,938
<u>Revenue Gain -</u> Section 67.1011 - City of Butler Transient Guest Tax	\$0	\$0	Unknown	Unknown
<u>Revenue Gain -</u> Section 67.1360 - City of Cameron Transient Guest Tax	\$0	\$0	\$0 up to \$153,114	\$0 up to \$156.176
<u>Revenue Gain -</u> Section 67.1790 - Greene County (all cities within) Early Childhood Program Sales Tax	\$0	\$0	Unknown	Unknown
<u>Revenue Gain -</u> Section 94.838 - Lamar Heights Food Tax Increase	\$0	\$0	Unknown	Unknown

<u>FISCAL IMPACT -</u> <u>Local Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
<u>Revenue Gain -</u> Section 94.842 - Springfield Transient Guest Tax	\$0	\$0	\$0 or \$8,800,000	\$0 or \$8,976,000
<u>Revenue Gain -</u> Section 94.844 - Joplin Transient Guest Tax	\$0	\$0	Unknown	Unknown
<u>Revenue Gain -</u> Section 94.900 - Various Cities Public Safety Sales Tax	\$0	\$0	\$0 or Could Exceed \$1,121,057	\$0 or Could Exceed \$1,143,478
<u>Revenue Gain -</u> Section 94.902 - Various City Public Safety Sales Tax	\$0	\$0	\$0 or \$2,287,159	\$0 or \$2,332,902
<u>Savings -</u> Section 105.145 - State Auditor Fines	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss -</u> Section 105.145 - School Districts receiving less fine revenue (from savings above)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

<u>FISCAL IMPACT -</u>				Fully
<u>Local Government</u>	FY 2021	FY 2022	FY 2023	Implemented
(continued)	(10 Mo.)			(FY 2024)
 <u>Savings - Section</u>				
105.145 - Local				
Political				
Subdivisions - on				
fine revenue that is				
reduced with a one-				
time reduction of				
90% of outstanding				
balance	\$0 or Up To			
	\$36,057,167	\$0	\$0	\$0
 <u>Loss - Section</u>				
105.145 - School				
Districts - reduction				
in fine revenue from				
one-time adjustment				
to fine revenue	\$0 or Up To			
	(\$35,336,024)	\$0	\$0	\$0
 ESTIMATED NET				
EFFECT ON				
LOCAL				
POLITICAL				
SUBDIVISIONS				
	<u>Less than or</u>	<u>\$0 or</u>	<u>Greater than or</u>	<u>Greater than or</u>
	<u>Greater than</u>	<u>(Unknown) to</u>	<u>Less than</u>	<u>Less than</u>
	<u>\$721,143</u>	<u>Unknown</u>	<u>\$75,528,916</u>	<u>77,039,494</u>
	\$0	\$0	\$0	\$0

FISCAL IMPACT - Small Business

This proposed legislation could impact any small business operating in any of the cities that eventually impose a tax as warranted under this proposed legislation. This proposed legislation could impact various limited liability companies. This proposed legislation could impact small businesses operating as a Wood Energy Producer. This proposed legislation could impact small businesses that qualify for the Domestic Violence Tax Credit.

FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to taxation.

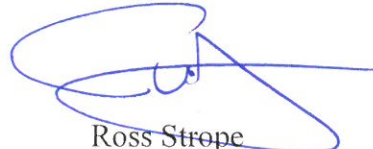
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning
City of Cameron
Department of Elementary and Secondary Education
Office of the Secretary of State
Joint Committee on Administrative Rules
City of Hallsville
City of Ashland
Department of Economic Development
State Tax Commission
City of Kansas City
City of Columbia
Office of the Attorney General
Office of the State Courts Administrator
Office of the State Auditor
Department of Natural Resources
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Social Services
Missouri Department of Conservation
Office of Administration
Department of Transportation
Office of the Governor
Office of the State Treasurer



Julie Morff
Director
April 30, 2020



Ross Strope
Assistant Director
April 30, 2020