

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4910-01
Bill No.: HB 1692
Subject: Taxation and Revenue - Property; Real and Personal Property; Counties;
Political Subdivisions; Television
Type: Original
Date: March 30, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Blind Pension	\$0	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on Other State Funds	\$0	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization.

Officials from the **State Tax Commission** assume this proposed legislation establishes depreciation tables for certain television broadcasting equipment. The depreciation tables outlined in the proposal appear to be accelerated. This legislation appears to be very unique as it sets forth the method for determining the true value in money for the equipment by using the depreciation tables and multiplying the results by the applicable fraction. Such fraction is to be determined by the industry owning such property.

The State Tax Commission does not have any information available on how this proposal will impact the local political subdivisions or what the revenue loss may be.

Officials from the **Office of the Callaway County Assessor** did not respond to our fiscal note request.

ASSUMPTION (continued)

Oversight assumes there would be unknown additional costs to county assessors, county clerks, and taxing authority officials to implement this proposal, and has shown these costs in FY 2005. **Oversight** assumes that any additional costs in subsequent years would be minimal. **Oversight** also assumes that any tax effect from this proposal would begin in FY 2006 since assessment for 2005 taxes (FY 2006) would be completed after the effective date of this proposal. **Oversight** assumes there would be an unknown impact to the Blind Pension Fund, since the Blind Pension Fund levy rate would not be adjusted.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
BLIND PENSION FUND			
<u>Increase (Decrease) in Tax Revenues as a result of changes in assessment.</u>	<u>\$0</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
TOTAL ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
POLITICAL SUBDIVISIONS			
<u>Increase (Decrease) in Tax Revenues as a result of changes in assessment.</u>	\$0	Unknown to (Unknown)	Unknown to (Unknown)
<u>Cost to counties</u> Additional administrative cost to county assessor and clerk.	(Unknown)	\$0	\$0
<u>Cost to other political subdivisions</u> Additional administrative and reporting cost.	(Unknown)	\$0	\$0
TOTAL ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would set the true value in money for assessment of television broadcasting equipment at a value determined based upon the historical cost of the item as depreciated. The depreciation is set by the act in a series of tables. Tables are provided for both analog and digital equipment.

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

State Tax Commission
Department of Revenue

NOT RESPONDING: Office of the Callaway County Assessor

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 30, 2004