

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0735-06
Bill No.: HCS for HB 461
Subject: Business and Commerce; Property, Real and Personal; State Tax
 Commission; Taxation and Revenue - General; Taxation and Revenue -
 Property
Type: Original
Date: April 1, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTIONS

In response to a previous version of the proposal, officials from the **Office of the Secretary of State** assumed the proposal would provide a valuation process for business personal property. Based on experience with other divisions the rules, regulations and forms issued by the Department of Revenue could require approximately 6 pages in the Code of State Regulations. The estimated cost of a page in the Code of State Regulations is \$27. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, and withdrawn. $(6 \times \$27) + (9 \times \$23) = \$369$

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue** and the **State Tax Commission** assume this proposal would have no impact on their organizations.

ASSUMPTIONS (continued)

In response to a previous version of the proposal, officials from the **Office of the Cole County Assessor** stated they could not determine the fiscal impact of the proposal until they are able to review the State Tax Commission's proposed methodology.

Officials from the **Office of Administration, Division of Budget and Planning, Callaway County Assessor, St. Louis County Assessor, and Greene County Assessor** did not respond to our request for information.

Oversight assumes the proposal would have a minimal impact on county assessors and other local officials.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would specify an assessment process for business personal property using statutory valuation tables, and prescribe tax rate setting procedures for political subdivisions which have business personal property taxes that are subject to protest.

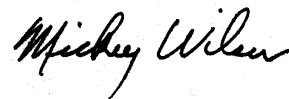
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
State Tax Commission
Office of the Cole County Assessor

NOT RESPONDING

Office of Administration
Division of Budget and Planning
Callaway County Assessor
Greene County Assessor
St. Louis County Assessor



Mickey Wilson, CPA
Director
April 1, 2005