

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1133-01
Bill No.: HB 613
Subject: Revenue Dept.; Taxation and Revenue – General; Taxation and Revenue – Sales and Use
Type: Original
Date: March 10, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)*	(Unknown)*	(Unknown)*

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

* – Estimated to exceed \$100,000.

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	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development and Department of Revenue** assume this proposal would have no fiscal impact on their agencies.

According to vital statistics compiled by the **Department of Health and Senior Services**, there were 57,406 recorded deaths in Missouri in 2002 and 56,903 in 2003. Oversight notes that these totals would include deceased individuals whose funerals and related purchases might take place in other states, and would not include those whose deaths are recorded in other states whose funerals and related purchases take place in Missouri.

Oversight conducted internet research that reveals costs of caskets commonly ranging from \$300 to \$2,500. Other costs covered by tax exemption included in this proposal (burial cases, burial vaults, and clothing used for the sole purpose of burial) cover a wide range. It must be noted that remains of deceased are handled by a varying methods that do not always include burial or the purchase of burial-related items. **Oversight** is unable to ascertain the precise number of precise number of burials or the quantity or value of burial-related items purchased in Missouri.

ASSUMPTION (continued)

Therefore, **Oversight** assumes that the sales tax exemption would result in an unknown loss of state and local sales tax revenue, with each exceeding \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Loss</u> – Sales Tax Revenues	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
* – Expected to exceed \$100,000			

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<u>Loss</u> – Sales Tax Revenues	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

Small businesses that sell burial-related items might see an increase in sales as a result of this proposal.

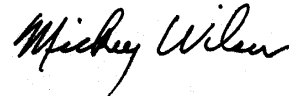
DESCRIPTION

This legislation exempts all sales of coffins, caskets, burial cases, burial vaults, and clothing purchased and used for the sole purpose of burial from sales tax.

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 Economic Development
Department of Revenue
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA
Director
March 10, 2005