

HB 952 -- SALES TAX ON PERSONAL CARE SERVICES

SPONSOR: Icet

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 15 to 0.

This bill authorizes a state sales tax on personal care services beginning July 1, 2005, and ending June 30, 2006. Personal care services are specified as medically oriented tasks having to do with a person's physical requirements which enable the person to be treated as an outpatient rather than an inpatient of a hospital, intermediate care facility, or skilled nursing facility. Personal care services are exempt from local sales taxes.

The bill contains an emergency clause.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown in FY 2006, Unknown in FY 2007, and \$0 in FY 2008. Estimated Income on Other State Funds of Unknown in FY 2006, Unknown in FY 2007, and \$0 in FY 2008.

PROPOSERS: Supporters say that the bill attempts to help Missouri's budget shortage by charging a 4% state sales tax on Medicaid-recipient, in-home services. No local tax will be collected, and the federal government will provide 60% matching funds.

Testifying for the bill were Representative Icet; Missouri Assisted Living Association; Pyramid Group, Incorporated; Missouri Council for In-Home Services; and Cooperative Attendant Services.

OPPOSERS: There was no opposition voiced to the committee.

Karla Strobel, Legislative Analyst