

HCS SS SCS SB 269 -- ATHLETES AND ENTERTAINERS TAX

SPONSOR: Shields (Hoskins)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Urban Issues by a vote of 11 to 4 with 2 present.

This substitute requires the Department of Revenue to annually estimate the amount of revenue collected from the nonresident entertainer and professional athletic team income tax. Once collected, the revenue from the tax will be deposited into the Nonresident Entertainer and Athlete Fund created by the substitute.

For Fiscal Year 2007 and each fiscal year thereafter, an annual allocation of 18% of the available amount of the total annual estimate of revenue derived from the tax will be deposited into the Missouri Arts Council Trust Fund.

For Fiscal Year 2007 and each fiscal year thereafter, 6% of the available amount of the annual estimates of taxes generated from the tax will be deposited into the Missouri Cultural Arts Trust Fund. Subject to appropriation, moneys in the fund will be annually allocated as follows: (1) 12.5% to the Negro League Baseball Museum; (2) 12.5% to the St. Louis Black Repertory Theater; and (3) 75% will be equally divided among 15 other organizations listed in the substitute.

For Fiscal Year 2007 and each fiscal year thereafter, annual allocations of 4% of the available amount of the total annual estimate of revenue derived from the tax will be deposited into the Missouri Humanities Council Trust Fund, Missouri State Library Networking Fund, and Missouri Public Television Broadcasting Corporation Special Fund. The \$10 million cap per fiscal year on allocations made to the Missouri Arts Council is removed.

Four percent of the available amount of the total annual estimate of revenue will be placed into a subaccount, known as the Missouri Sports Authority Subaccount, within the Nonresident Entertainer and Athlete Fund. The funds in the subaccount will be allocated, conditioned upon local matching funds, as follows: (1) 22% to the Springfield Sports Commission; (2) 16% to the Joplin Sports Authority; (3) 8% to the Branson Sports Authority; (4) 23% to the St. Charles County Convention and Sports Facility; (5) 2% to the Lake St. Louis Unlimited Play, Handicap Accessible Playground Facility; and (6) the remaining funds will be allocated among cities with convention and visitors bureaus operating sports marketing programs. For Fiscal Year 2007, the Joplin Sports Authority's allocation percentage will be supplanted by a \$400,000 grant from the subaccount with no local match requirement.

The substitute provides that for Fiscal Year 2007 and each subsequent fiscal year, the remaining 60% of the available amount of the total annual estimate of revenue derived from the tax will be distributed as follows: (1) 4% to the Negro League Baseball Museum; (2) 5% to the State School Moneys Fund; and (3) the remainder on a pro-rated basis to the Jackson County Sports Authority, the City of St. Louis, the Edward Jones Dome, and each county commission in an amount proportionate to each entity's contribution to the fund. Any distributions to the Edward Jones Dome will be in lieu of any other appropriations the dome receives from general revenue. Any funds remaining after the annual allocations have been made will revert to the General Revenue Fund.

For Fiscal Year 2007, all allocations provided under the substitute will be limited to 20% of the total annual estimate of revenue derived from the tax; for Fiscal Year 2008, 40%; and for Fiscal Year 2009 and each subsequent fiscal year, 100%.

FISCAL NOTE: No impact on General Revenue Fund in FY 2006, FY 2007, and FY 2008. Estimated Effect on Other State Funds of an Income of \$0 in FY 2006, a Cost of Unknown to an Income of Unknown in FY 2007, and a Cost of Unknown to an Income of Unknown in FY 2008. Estimated to exceed \$100,000.

PROPONENTS: Supporters say that the revenue from this tax is needed to help certain facilities or stadiums stay competitive with others around the country.

Testifying for the bill were Senator Shields; Jackson County Sports Complex Authority; Missouri Citizens for the Arts; St. Joseph Area Legislative Coalition; and City of Springfield.

OPPONENTS: Those who oppose the bill say that too much is spent on debt services on sports issues, and we have gotten away from the original purpose for this taxing.

Testifying against the bill were Missouri River Regional Library; Missouri Budget Project; Missourians for Tax Justice; and Telecommunications Association of Missouri.

Robert Triplett, Legislative Analyst