

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3923-02
Bill No.: HB 1351
Subject: Taxation and Revenue - General
Type: Original
Date: January 25, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a similar proposal from this year (SB 911), officials from the **Office of Administration - Budget and Planning** assumed the bill eliminates Missouri's estate tax. This tax is based on the parallel credit on the federal estate tax. However, this credit was gradually sunset by the Economic Growth and Tax Relief Reconciliation Act of 2001, and is currently expired. Little to no estate tax revenues are anticipated in FYs 2007-2009. Therefore, this proposal would have no impact on general and total state revenues.

However, these provisions of the EGTRRA are set to expire in FY 2011, at which time the state estate tax would again be applicable based on current statutes.

Officials from the **Department of Revenue** assume the proposal would not fiscally impact their agency. The estate tax repeal was effective in 2005, and the repeal expires in 2010.

In response to a similar proposal from this year (SB 911), officials from the **University of Missouri - Economic and Policy Analysis Research Center** stated because no revenues are currently collected from the estate tax, the fiscal impact of this statute on Missouri's general revenues will be zero. More specifically, there is no change in net general revenue if this bill is adopted.

ASSUMPTION (continued)

Oversight assumes the bill would not have a fiscal impact to the state until FY 2011, which is beyond the scope of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

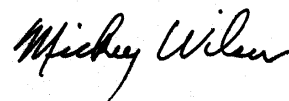
DESCRIPTION

This act repeals the estate 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 Revenue
Office of Administration - Budget and Planning
University of Missouri



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