

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0365-01
Bill No.: HB 188
Subject: Gambling; Veterans
Type: Original
Date: February 28, 2007

Bill Summary: This proposal exempts veteran's organizations from paying taxes on pull-tab cards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Bingo Proceeds for Education Fund	(\$283,000)	(\$339,000)	(\$339,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$283,000)	(\$339,000)	(\$339,000)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Veterans' Commission, Department of Revenue** and the **Missouri Lottery** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Gaming Commission** state there are approximately 418 regular bingo licensees, 177 of which are veterans groups (approximately 42%). The approximate pull-tab tax collected for FY 2006 of \$805,152 x 42% is \$338,164, which for the purposes of this fiscal note will be rounded to \$339,000. This would be a reduction in funding to schools if the veterans groups were exempted. FY 2008 shown as approximately \$283,000 to account for only 10 months assuming the law would not be in effect until sometime in August.

Oversight will reflect the reduced revenue to the Bingo Proceeds for Education Fund. However, this loss of revenue could also be reflected at the local school districts.

This proposal could reduce Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
BINGO PROCEEDS FOR EDUCATION FUND			
<u>Loss - Missouri Gaming Commission</u>			
Loss of revenue from exemption of veterans organizations from tax on pull- tab cards.	<u>(\$283,000)</u>	<u>(\$339,000)</u>	<u>(\$339,000)</u>
ESTIMATED NET EFFECT TO THE BINGO PROCEEDS FOR EDUCATION FUND	<u>(\$283,000)</u>	<u>(\$339,000)</u>	<u>(\$339,000)</u>

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

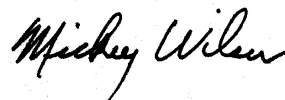
FISCAL DESCRIPTION

Currently, bingo pull-tab card suppliers are required to pay a tax equal to 2% of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri. This bill exempts veterans' organizations from this 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

Missouri Lottery Commission
Missouri Veterans' Commission
Missouri Gaming Commission
Department of Revenue



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