

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1852-01
Bill No.: HB 803
Subject: Children and Minors; Department of Revenue; Taxation and Revenue – Income
Type: Original
Date: March 9, 2007

Bill Summary: The proposal authorizes an income tax credit for donations to the Missouri Court Appointed Special Advocates Association. The provisions of this proposal will automatically sunset in six years if not re-authorized.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 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 **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Administration – Division of Budget and Planning (BAP)** assume the proposed legislation should not result in additional costs or savings to the division. BAP assumes the proposal creates an income tax credit for donations to the state or local Court Appointed Special Advocates Associations. BAP has no information to estimate the amount of donations that may be made. BAP assumes the proposal would reduce general and total state revenues by an unknown amount.

Officials from the **Department of Revenue (DOR)** assume this is a new tax credit. Personal Tax would require 1 Tax Processing Technician I (at \$23,916 per year) for every 4,000 credits claimed.

Due to the Statewide Information Technology Consolidation, the DOR's response reflects the cost estimates prepared by Office of Administration – Information Technology Services Division (COA-IDSD) for impact to the various systems. Costs shown will be requested through appropriations by COA-IDSD. COA-IDSD estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement. COA-IDSD estimates that this legislation could be implemented utilizing 4 existing CIT III for 2 months at a rate of \$33,488.

Oversight assumes the Department of Revenue (DOR) could absorb the cost of processing any tax credits claimed pursuant to the proposed legislation. If the number of tax credits claimed approaches 4,000 per year, DOR could request funding through the appropriation process.

Oversight assumes the proposal could result in a loss to the general revenue fund in an amount equal to the amount of donations made to CASA associations. For fiscal note purposes, Oversight has reflected this loss as less than \$100,000 per fiscal year.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

This proposal could reduce Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Losses</u> – Department of Revenue			
Tax credits	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that are CASA associations benefitting from donations received from individuals who want to qualify/apply for the tax credit established by this legislation could expect a direct fiscal impact as a result of the proposal.

FISCAL DESCRIPTION

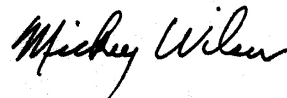
The proposed legislation authorizes an income tax credit for donations to the Missouri Court Appointed Special Advocates Association.

The provisions of this act will automatically sunset in six years if not re-authorized.

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

Office of Administration
– Division of Budget and Planning
Office of State Courts Administrator
Department of Revenue
Office of the Secretary of State



Mickey Wilson, CPA
Director
March 9, 2007