

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2596-04  
Bill No.: HCS for HB 1089  
Subject: Motor Carriers; Revenue Dept.; Taxation and Revenue - Sales and Use  
Type: Original  
Date: April 10, 2007

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Bill Summary: Would make a number of changes in sales and corporate income taxation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	(More than \$1,724,896)	(More than \$1,842,905)	(More than \$1,843,873)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(More than \$1,724,896)</b>	<b>(More than \$1,842,905)</b>	<b>(More than \$1,843,873)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 20 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks and Soils	(Unknown)	(Unknown)	(Unknown)
Road	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Senior Services and Youth Programs Sales Tax Trust *	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Net of receipts and transfers out.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	2.0	2.0	2.0
<b>Total Estimated Net Effect on FTE</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

### **FISCAL ANALYSIS**

#### ASSUMPTION

Officials from the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions, and Professional Registration**, the **Department of Social Services**, the **City of Centralia**, and the **Office of the Cole County Assessor** assume this proposal would have no fiscal impact on their organizations.

Officials from the **University of Missouri, Economic Policy Analysis and Research Center** stated they were not able to estimate the fiscal impact of this proposal.

ASSUMPTION (continued)

Officials from the **Department of Revenue** (DOR) assume this legislation would cause many corporations and individuals that currently have nexus in this state and pay income tax, to no longer have nexus and therefore no longer subject to income tax. DOR officials also assume that the proposed tax credits and exemptions would reduce revenues. DOR summarized the proposal as follows:

Section 32.130 would modify the definition of nexus.

Section 67.997 would allow the County of Perry to impose a sales tax not to exceed  $\frac{1}{4}$  of 1%, if approved by the voters, to fund senior services and youth programs.

Section 135.636 would allow a tax credit for providing care for an eligible child. The tax credit amount would be equal to 25% of the parent's annual salary in the year before the parent terminated gainful employment to stay at home. The credit would not be not refundable, but could be carried forward 3 years. The credits could not be transferred, sold, or assigned, and the cumulative amount of all credits issued in any one fiscal year could not exceed \$2 million. DOR would administer the tax credit program. The taxpayer would file an affidavit with DOR verifying the stay-at-home status, and provide a copy of the most recent W-2 form received.

Section 137.092 would require operators of storage facilities to provide documentation for property tax purposes.

Section 143.006 would modify the definition of nexus for corporate income tax purposes.

Section 143.432 would exempt corporations who are manufacturers from income tax for the first 5 years of the manufacturer's existence in this state.

Section 144.030 would allow common carriers to be exempt for sales tax purposes, whether or not they are involved solely in interstate commerce; would add "utilities" to the exemption received in research and development of prescription medications, and would allow these same exemptions for agricultural/biotechnology and plant genomics products.

Section 144.054 would exempt from taxation utilities, chemicals, machinery, equipment, and materials used in producing products.

Section 208.750 would modify the Family Development Account Program.

ASSUMPTION (continued)

DOR assessed the administrative impact of the proposal on their organization as follows:

The proposal would create a new tax credit with carry forward provisions. Personal Tax would require 1 Tax Processing Technician I for every 4,000 credits claimed.

Taxation assumes a check box on the return along with certification from DED would be sufficient to document a new manufacturer exemption from corporate income tax. The Corporate Income Tax Section would require 1 Tax Processing Technician I to maintain the accounts, exemptions, correspondence, and phone calls.

Information Technology ITSD/DOR estimates the IT portion of this request could be accomplished within existing resources, however; if priorities shift, additional FTE/overtime would be needed to implement. ITSD/DOR estimates that this legislation could be implemented utilizing 4 existing CIT III for 2 months, 3 CIT III for 2 months, and 2 CIT III for 1 month, at a total cost of \$66,976.

DOR submitted an estimated cost to implement the proposal including the 2.0 additional FTE and related equipment and expenditures totaling \$75,245 for FY 2008, \$79,486 for FY 2009, and \$81,871 for FY 2010.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the additional positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight has adjusted the DOR equipment and expenditure estimate in accordance with OA budget guidelines.

Oversight also assumes this proposal would reduce corporation and personal income tax by an unknown amount.

ASSUMPTION (continued)

Officials from the **Department of Economic Development, Division of Business and Community Services** (DED) assume this proposal would allow qualified new manufacturing corporations an exemption from income tax for the first five years of the corporation's existence. DED officials assume that DED would be required to qualify the manufacturing firms, and anticipate that one additional employee would be required to administer the exemption program.

DED submitted an estimated cost to implement the proposal including 1.0 additional FTE and the related equipment and expenditures totaling \$78,058 for FY 2008, \$88,083 for FY 2009, and \$88,562 for FY 2010. DED also indicated an unknown revenue reduction from the creation of additional tax exemptions.

**Oversight** assumes this proposal would have only a minimal impact on the DED workload and could be absorbed with existing resources. If unanticipated costs are incurred or if multiple proposals are enacted which increase the DED workload, resources could be requested through the budget process.

Officials from the **Department of Conservation** (MDC) assume this proposal would have a negative impact on MDC funds. MDC was unable to provide an estimated impact and will rely on the DOR estimate.

Officials from the **Department of Elementary and Secondary Education** (DESE) assume this proposal would have no fiscal impact to their organization nor to the foundation formula.

Officials from the **Department of Natural Resources** (DNR) assume this proposal would authorize multiple exemptions from state and local sales and use taxes. The DNR Parks and Soils Tax Fund is derived from one-tenth of one percent sales and use tax, and any additional sales and use tax exemptions would appear to cause an unknown loss to the Parks and Sales Tax Fund.

Officials from the **Department of Transportation** (MODOT) assume this proposal would have no fiscal impact to their organization.

ASSUMPTION (continued)

In response to several of the individual provisions in this proposal, officials from the **Office of the Secretary of State** (SOS) provided the following response:

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 fiscal note to SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** has estimated the fiscal impact of the individual provisions as follows:

Section 32.130 Nexus Determination

**Oversight** assumes this provision would have an unknown negative fiscal impact on the state due to reduced income tax collections.

Section 67.997 Perry Senior Services and Youth Programs Sales Tax

This provision would authorize Perry County to impose, upon voter approval, a sales tax of up to one-fourth of 1% to fund senior services and youth programs. A senior services tax commission would be established to administer the revenue received for senior services.

In response to a similar proposal (HB 235, LR 0903-01) officials from the **Department of Revenue** and the **Department of Social Services** assumed no fiscal impact to their organizations.

**Perry County** officials did not respond to our request for information.

ASSUMPTION (continued)

**Oversight** assumes that implementing this proposal would require voter approval. Collections and offsetting distributions of \$0 or Unknown have been recorded in the Senior Services and Youth Programs Sales Tax Trust Fund. Oversight has also indicated a fiscal impact of \$0 or Unknown to the local government. Oversight assumes that revenues from the 1% General Revenue Fund collection fee would be less than \$31,188 in FY 2008, less than \$32,248 in FY 2009, and less than \$33,215 in FY 2010.

Section 135.636 Stay-at-Home Parent Tax Credit Program

This provision would provide an income tax credit for parents who stay home to provide care for young children.

In response to a similar proposal (HB 932, LR 2011-01) officials from the **Office of Administration, Division of Budget and Planning** (BAP) stated that this proposal would create an income tax credit for parents that stay at home to provide care for their children. The cumulative amount of credits that could be issued in any one fiscal year is \$2 Million. Therefore, general and total state revenues could be reduced annually by this amount. BAP officials assume there would be no added cost to their organization as a result of this bill.

Officials from the **University of Missouri, Economic and Policy Analysis Research Center** (EPARC) officials stated that they were not able to estimate the fiscal impact of a similar proposal (HB 932, LR 2011-01).

Officials from the **Department of Revenue** (DOR) assumed a similar proposal (HB 932, LR 2011-01) would create a tax credit for providing care for an eligible child. Any stay-at-home parent or spouse whose filing status is married filing combined would be eligible for the credit. The tax credit amount would be equal to 25% of the stay-at-home parent's annual salary in the year before the parent terminated gainful employment. The credit could be carried forward for three years but would not be refundable and could not be transferred, sold, or assigned. The cumulative amount of all credits issued in any one fiscal year could not exceed \$2 million.



ASSUMPTION (continued)

**Oversight** assumes that implementation of this proposal would result in the issuance of tax credits of up to \$2 million per year. Oversight compared the total tax credit issuances relative to the total tax credit redemptions for the previous three years in order to determine a relationship between the two. Oversight discovered that the annual redemptions ranged from 79 percent to 86 percent of the annual issuances. Depending on the program, the redeemed credits may have been issued several years prior and carried forward to the years studied; however, Oversight will utilize an estimated redemption total of 83 percent of tax credits issued. Therefore, under this proposal, if \$2,000,000 of credits are issued, Oversight would assume \$1,660,000 (83%) of credits to be redeemed, reducing Total State Revenues.

Section 71.011 Reporting Municipal Property Exchanges to the County Assessor

This provision would require a political subdivision to file a certified copy of each ordinance of detachment and annexation with the county assessor.

In response to a similar proposal (HB 459 LR 0709-01) officials of the **City of West Plains** and the **City of Centralia** assumed no fiscal impact to their organizations.

**Oversight** requested information from numerous cities and county assessors and received no other responses. Oversight notes that cities are currently required to file a certified copy of each ordinance of detachment and annexation with the County Clerk, County Recorder of Deeds, and Circuit Court Clerk. Oversight assumes that filing a copy with the County Assessor would have no fiscal impact.

Section 137.092 Storage Facility Operator Reports to County Assessors

This provision would require operators of certain storage facilities to submit reports of personal property stored on their premises to the county assessor.

In response to a similar proposal (HB 624 LR 1586-01) officials from the **Department of Economic Development, Public Service Commission**, the **Department of Revenue**, the **City of Centralia**, the **City of West Plains**, and **Parkway School District** assumed the proposal would have no fiscal impact to their organizations.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education, St. Louis County**, and the **Office of the Cole County Assessor** assumed a similar proposal (HB 624 LR 1586-01) would have no direct fiscal impact to their organizations; however, the proposal could result in additional tax revenues if additional property is added to the assessment system.

**Oversight** assumes that this proposal would have no state or local fiscal impact. Oversight also assumes that any additional tax revenues resulting from the implementation of this proposal would be minimal.

Section 143.432 Five Year Corporate Tax Income Exemption for New Manufacturers

In response to a similar proposal (HB 1000 LR 2243-01) officials from the **Department of Economic Development, Division of Business and Community Services (DED)** assumed the proposal would result in an unknown negative impact to the General Revenue Fund. DED assumed DOR would provide an estimate of the fiscal impact.

DED officials stated they would likely use this tax exemption to try to bring manufacturing businesses to Missouri. Some unknown positive impact could be derived from new businesses relocating, and if the businesses stayed in the state the taxes paid after the exemption expires there could be a positive impact.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed a similar proposal (HB 1000 LR 2243-01) would exempt new manufacturers in the state from corporate income tax. BAP assumes there would be no added cost to their organization as a result of this proposal.

BAP noted that net corporate income tax totaled \$333.3 million in FY06. In calendar year 2006, according to the United States Bureau of Labor Statistics Current Employment Statistics Data, about 13% of total private-service employees in Missouri were in manufacturing. Using this figure as an estimate of manufacturing's share, BAP estimates corporate income taxes from manufacturing were \$43.3 million in FY06. BAP defers to the Department of Revenue or the Department of Economic Development for an estimate of the number of new manufacturers that may open in the state each year. This proposal would lower general and total state revenues by an unknown amount less than \$43.3 million.

ASSUMPTION (continued)

Officials from the **Department of Revenue** (DOR) stated in response to a similar proposal (HB 1000 LR 2243-01) that the Division of Taxation was unable to determine if this would create an additional line on the corporate income tax return or additional forms to accompany the income tax return.

**Oversight** assumes this proposal would result in a revenue reduction greater than \$100,000 per year to the General Revenue Fund for tax years beginning January 1, 2008 (FY 2009). Oversight notes that new enterprises typically experience losses during their first years of existence, and that there could be some offset to the revenue reduction from increased employment and general economic activity.

Section 144.030 Sales Tax Exemptions

Railroad Rolling Stock and Vehicles Used in Interstate Commerce

This proposal would expand the sales tax exemption for vehicles purchased by common carriers.

In response to a similar proposal (SB 30 LR 0246-01) officials from the **Department of Transportation** (MODOT) assume this proposal would expand the sales tax exemption for common carriers which would lead to a reduction in sales tax revenue. Current law authorizes a sales tax exemption for commercial motor vehicles licensed for a gross weight of 24,000 pounds or more and for trailers used by motor carriers solely in the transportation of persons or property in interstate commerce. This proposal would apply the sales tax exemption for commercial motor vehicles and trailers purchased by any motor carrier who transports persons or property, whether in interstate or intrastate commerce. MODOT has no basis for estimating the impact; MODOT assumes there would be a negative unknown fiscal impact from this proposal.

Officials from the **Department of Conservation** (MDC) assumed a similar proposal (SB 30 LR 0246-01) would appear to have a negative fiscal impact on MDC funds since it appears to expand the sales tax exemption. MDC defers to the Department of Revenue for the fiscal impact of the proposal.

ASSUMPTION (continued)

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed a similar proposal (SB 30 LR 0246-01) would expand the common carrier sales tax exemption to include any vehicles licensed for a gross weight of 24,000 pounds or more. There should be no added cost to the BAP as a result of this bill. The proposal would result in a loss of General Revenue because these carriers are currently paying sales tax. The Department of Revenue should provide the estimate of possible increased costs and decreased revenues to the state as a result of this proposal.

**Oversight** assumes the expansion of the sales tax exemption would lead to a reduction in sales tax revenue to state and local funds. Oversight has no basis for estimating the amount of the reduction resulting from this bill and therefore, has assumed an unknown amount.

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Utilities for Research and Development of Agricultural/Biotechnology and Plant Genomics

**Oversight** assumes this provision would have an unknown negative fiscal impact on those state funds and local governments which are supported by sales tax revenues.

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Section 144.054 State and Local Sales and Use Tax Exemption for the Costs of Utilities, Chemicals, Machinery and Equipment, and Materials Used to Produce a Product.

In response to a similar proposal (HB 131 LR, 0716-01) officials from the **Department of Revenue (DOR)** assumed no fiscal impact for their organization. DOR officials stated there would be a reduction to General Revenue equal to the amount of tax currently being paid by companies on these purchases. This amount is unknown to DOR.

Officials from the **Department of Conservation (MDC)** assumed a similar proposal (HB 131 LR, 0716-01) would appear to have a negative fiscal impact on MDC funds since it appears to exempt utilities, chemicals, and materials used to produce a product from state and local sales and use tax. However, MDC is unable to provide the estimated amount and will rely on DOR for the fiscal impact of this legislation.

ASSUMPTION (continued)

In response to a similar proposal (HB 131 LR, 0716-01) officials from the **Department of Natural Resources** assumed that proposal would authorize an exemption from state and local sales and use tax for the cost of utilities, chemicals, and materials used to produce a product. The Department's Parks and Soils Tax Fund is derived from a one-tenth of one percent sales and use tax pursuant to Section 47(a) of the Missouri Constitution. Therefore, any additional sales and use tax exemption would appear to be a loss to the Parks and Sales Tax Fund. The cost of utilities, chemicals, and materials used to produce a product is unknown; however, the department would not anticipate a significant fiscal impact from this proposal.

Officials from the **University of Missouri Economic Policy and Research Center** stated they were unable to estimate the potential impact of a similar proposal (HB 131 LR, 0716-01).

**Oversight** assumes there would be a significant but unknown negative fiscal impact from this proposal, and that the state General Revenue Fund, Conservation Commission Fund, Parks and Soils Fund, School District Trust Fund, and local governments would have a reduction in sales tax revenues if the proposal is enacted.

Section 163-016 Multi-County School District Modifier Choice

This proposal would specifically allow the Monroe City School District to choose the higher county dollar value modifier under the school foundation formula.

In response to a similar proposal (HB 109, LR 0253-01) officials from the **Department of Elementary and Secondary Education** stated that the proposed language would cause an increase to the dollar value modifier variable used for the district from 1.000 to 1.023. That change would increase the state payment to the district by approximately \$33,707 in FY08, \$50,657 in FY09 and \$50,657 in FY10 for a total of \$135,021. These are estimates based on constant pupil counts and the state adequacy target.

Section 208.750 Family Development Account Program Modifications

This provision would change the administrative cost limits for Family Development Accounts.

**Oversight** assumes this provision would have no fiscal impact on state funds or on local governments.

**This proposal would reduce Total State Revenue.**

FISCAL IMPACT - State Government	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> - Collection Fee from Perry County Local Option Sales Tax	Less than \$31,188	Less than \$32,248	Less than \$33,215
<u>Revenue reduction</u> - Income Tax Stay at Home Parent Tax Credit	(\$1,660,000)	(\$1,660,000)	(\$1,660,000)
Businesses Which Would No Longer Have Nexus in the State	(Unknown)	(Unknown)	(Unknown)
Exemption for New Corporate Manufacturers	\$0	(More than \$100,000)	(More than \$100,000)
<u>Revenue reduction</u> – Sales Tax Exemption for Rolling Stock and Vehicles	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities for Research and Development of Agriculture/Biotechnology and Plant Genomics	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities, Chemicals, Materials, and Machinery and Equipment Used in Manufacturing	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - DESE Dollar Value Modifier Change	(\$33,707)	(\$50,657)	(\$50,657)

FISCAL IMPACT - State Government	FY 2008 (10 Mo.)	FY 2009	FY 2010
<u>Cost - DOR</u>			
Personal Service (2.0 FTE)	(\$35,640)	(\$44,051)	(\$45,373)
Fringe Benefits	(\$15,703)	(\$19,409)	(\$19,991)
Expense and Equipment	<u>(\$11,034)</u>	<u>(\$1,036)</u>	<u>(\$1,067)</u>
Total	<u>(\$62,377)</u>	<u>(\$64,496)</u>	<u>(\$66,431)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(More than \$1,724,896)</u></b>	<b><u>(More than \$1,842,905)</u></b>	<b><u>(More than \$1,843,873)</u></b>
Estimated Net FTE Effect on General Revenue Fund	2.0	2.0	2.0
<b>SENIOR SERVICES AND YOUTH PROGRAMS SALES TAX TRUST FUND</b>			
<u>Income - DOR - Perry County Local Option Sales Tax</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out - Perry County</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON SENIOR SERVICES and YOUTH PROGRAMS SALES TAX TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>ROAD FUND</b>			
<u>Revenue reduction – Sales Tax Exemption for Rolling Stock and Vehicles</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - State Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**CONSERVATION COMMISSION  
FUND**

Revenue reduction – Sales Tax

Exemption for Rolling Stock and  
Vehicles

(Unknown)

(Unknown)

(Unknown)

Exemption for Utilities for Research  
and Development of  
Agriculture/Biotechnology and Plant  
Genomics

(Unknown)

(Unknown)

(Unknown)

Exemption for Utilities, Chemicals,  
Materials, and Machinery and Equipment  
Used in Manufacturing

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
CONSERVATION COMMISSION  
FUND**

(Unknown)

(Unknown)

(Unknown)



<u>FISCAL IMPACT</u> - State Government	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>PARKS AND SOIL TAX</b>			
<u>Revenue reduction</u> – Sales Tax			
Exemption for Rolling Stock and Vehicles	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities for Research and Development of Agriculture/Biotechnology and Plant Genomics	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities, Chemicals, Materials, and Machinery and Equipment Used in Manufacturing	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON PARKS AND SOIL TAX</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Revenue reduction</u> – Sales Tax			
Exemption for Rolling Stock and Vehicles	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities for Research and Development of Agriculture/Biotechnology and Plant Genomics	(Unknown)	(Unknown)	(Unknown)
Exemption for Utilities, Chemicals, Materials, and Machinery and Equipment Used in Manufacturing	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Local Government	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**PERRY COUNTY SENIOR  
 SERVICES TAX COMMISSION**

<u>Revenue</u> - local option sales tax.	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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**ESTIMATED NET EFFECT ON  
 PERRY COUNTY SENIOR  
 SERVICES TAX COMMISSION**

<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>
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**CITIES AND COUNTIES**

Revenue reduction – Sales Tax

Exemption for Rolling Stock and Vehicles	(Unknown)	(Unknown)	(Unknown)
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Exemption for Utilities for Research and Development of Agriculture/Biotechnology and Plant Genomics	(Unknown)	(Unknown)	(Unknown)
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Exemption for Utilities, Chemicals, Materials, and Machinery and Equipment Used in Manufacturing	(Unknown)	(Unknown)	(Unknown)
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**ESTIMATED NET EFFECT TO  
 CITIES AND COUNTIES**

<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>
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FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses which meet the specifications listed in the proposal.

### FISCAL DESCRIPTION

This proposal would modify criteria used to determine whether a substantial nexus exists with the state for certain corporations and individuals. Other provisions would authorize a Perry County Senior Services and Youth Programs Sales Tax, create a Motherhood/Fatherhood Stay-at-Home Tax Credit Program, require Reporting of Municipal Property Exchanges to the County Assessor, require Storage Facility Operator Reports to County Assessors, allow a Five Year Corporate Tax Income Exemption for New Manufacturers, create Sales Tax Exemptions for Railroad Rolling Stock and Vehicles Used in Interstate Commerce, for Utilities for Research and Development of Agricultural/Biotechnology and Plant Genomics, and for Manufacturing Inputs, allow one Multi-County School District a Modifier Choice, and change the Family Development Account Program.

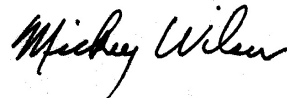
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State  
Office of Administration  
    Division of Budget and Planning  
Department of Conservation  
Department of Economic Development  
    Division of Business and Community Services  
    Public Service Commission  
Department of elementary and Secondary Education  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Natural Resources  
Department of Revenue  
Department of Social Services  
Department of Transportation  
University of Missouri  
    Economic Policy Analysis and Research Center  
St. Louis County  
City of Centralia  
City of West Plains  
Parkway School District  
Office of the Cole County Assessor

NOT RESPONDING

**Perry County**



Mickey Wilson, CPA  
Director  
April 10, 2007