

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2617-01
Bill No.: HB 1091
Subject: Cities: Police Services, Sales Tax
Type: Original
Date: April 12, 2007

Bill Summary: Authorizes the City of Independence to impose a sales tax for funding police services provided by the municipal police department.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

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 of the **Missouri Department of Revenue - Sales Tax Division (DOR)**, assume there would be no fiscal impact to the division of taxation.

Officials assume if the voters of the City of Independence were to approve the imposition of a sales tax the DOR would collect the tax and retain a 1% collection fee which would be deposited into the state's General Revenue Fund. This would increase state revenues

Oversight will show fiscal impact to the General Revenue Fund as \$0 or Unknown. Fiscal impact would be zero if the voters did not approve the imposition of a sales tax.

Oversight sent a response request to the **City of Independence** and they have not responded.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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GENERAL REVENUE FUND

<u>Income</u> - 1% sales tax collection fee	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Local Government

FY 2008
 (10 Mo.)

FY 2009

FY 2010

**CITY OF INDEPENDENCE -
 SPECIAL LAW ENFORCEMENT
 FUND**

Income - City of Independence

Voter approved sales tax \$0 or Unknown \$0 or Unknown \$0 or Unknown

Cost - City of Independence

Providing police services \$0 or \$0 or \$0 or
(Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 LOCAL GOVERNMENT ***

\$0

\$0

\$0

*** Oversight assumes annual costs of providing police services would not exceed annual income generated by the voter approved sales tax, which would result in either an annual net zero fund balance or a positive unknown fund balance. For purposes of this fiscal note, fund balance will be shown a zero.**

FISCAL IMPACT - Small Business

Small businesses located within the City of Independence would be required to pay, collect, and remit the increased sales tax, if approved by the voters.

FISCAL DESCRIPTION

This bill authorizes the City of Independence to impose, upon voter approval, a sales tax of up to 1% of gross retail receipts to be used for funding police services provided by the municipal police department.

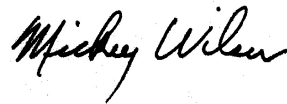
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue - Sales Tax Division

NOT RESPONDING

City of Independence

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 12, 2007