

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1665-01  
Bill No.: HB 955  
Subject: Elderly; Housing; Revenue Dept.; Tax Credits; Taxation and Revenue - Property  
Type: Original  
Date: March 10, 2009

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Bill Summary: Would increase the minimum base used to calculate the senior citizens circuit breaker amount.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$13,800,000)	(\$13,800,000)	(\$13,800,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$13,800,000)</b>	<b>(\$13,800,000)</b>	<b>(\$13,800,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume there would be no additional costs or savings to their organization as a result of this proposal. BAP officials stated that this proposal would increase the minimum base used to calculate the senior citizens circuit breaker amount. This bill could reduce general and total state revenues. BAP does not have the data to estimate the fiscal impact. EPARC may have such an estimate.

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization.

Officials from the **University of Missouri, Economic Policy Analysis and Research Center** (EPARC) assume this proposal would change the income level for determining the property tax credit, otherwise known as the senior citizen circuit breaker. Specifically, the minimum base would increase from \$14,300 to \$18,000. EPARC officials provided an estimate of the impact of this proposal which indicated a reduction in net income tax revenue of \$13.8 million.

**Oversight** will use the EPARC estimate, and for fiscal note purposes will indicate the same impact for FY 2010, FY 2011, and FY 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Revenue reduction</u> - change in circuit breaker calculation	<u>(\$13,800,000)</u>	<u>(\$13,800,000)</u>	<u>(\$13,800,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$13,800,000)</u></b>	<b><u>(\$13,800,000)</u></b>	<b><u>(\$13,800,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

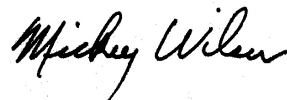
FISCAL DESCRIPTION

This proposal would increase the minimum base used to calculate the senior citizens circuit breaker amount.

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  
Department of Revenue  
University of Missouri  
Economic Policy Analysis and Research Center



Mickey Wilson, CPA  
Director  
March 10, 2009