

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3044-01
Bill No.: HB 1394
Subject: Libraries and Archives; Department of Revenue; Taxation and Revenue - Sales and Use
Type: Original
Date: January 21, 2010

Bill Summary: This proposal allows public library districts to seek voter approval for a sales tax to fund libraries within such districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

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FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State, St. Louis County, City of Centralia** and the **City of Kansas City** assume the proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal is discretionary and would have no fiscal impact without action by the governing body.

Officials from the **Department of Revenue (DOR)** assume this proposal does the following:

- Defines terms as they apply to this section including, "Public Library District," and "Qualified Voters."
- Authorizes the governing body of a library district to impose a sales tax on retail sales within the public library district.
- The sales tax cannot exceed one-half of one cent.
- The governing body shall submit to the voters to authorize the imposition of a sales tax.
- This legislation creates the "Public Library District Sales Tax Fund."
- The Director of Revenue shall collect and deposit the sales tax, less one percent for the cost of collection, into the Public Library District Sales Tax Fund.
- This legislation outlines the requirements to repeal the imposed sales tax.
- If repealed, all funds remaining in the special trust fund shall continue to be used for designated purposes. The public library district shall notify the Department of Revenue of this action at least 90-days before the effective date of the repeal.

DOR's response to a proposal similar to or identical to this one in a previous session indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's tax systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the fiscal impact is estimated with a level of effort valued at \$4,441. The value of the level of effort is calculated by taking 1 FTE for 1 month at \$4,441 per month for modifications to the Department's Sales Tax System (MITS).

ASSUMPTION (continued)

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DOR's Division of Taxation and Collections would require one (1) Revenue Processing Technician I (Range 10, Step L) at \$25,380 annually to assist in implementing any tax, including registration of businesses, maintaining business lists and coordinating changes with the districts. DOR estimates this new FTE will cost \$44,092 in FY 2011, \$42,082 in FY 2012 and \$43,343 in FY 2013.

Oversight assumes this proposal is discretionary and would have no fiscal impact without action by the governing body.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

The proposed legislation appears to have no fiscal impact.

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

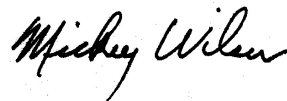
SOURCES OF INFORMATION

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Office of the Secretary of State
Department of Revenue
City of Centralia
City of Kansas City
St. Louis County

Not Responding:
City of Springfield
City of St. Louis
City of Columbia
Greene County
Boone County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
January 21, 2010

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