

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4183-02
Bill No.: HB 1582
Subject: Taxation and Revenue - General, Licenses - Misc., Revenue Dept., Counties
Type: Original
Date: February 3, 2010

Bill Summary: Would require statements of no tax due for state and local business licenses and for receipt of payments from the state Legal Defense Fund.

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume this proposal would not result in additional costs or savings to their organization. The proposal would increase general and total state revenue by increasing collections on delinquent taxes. Since these are existing taxes, there would be no 18e impact. BAP defers to the Department of Revenue for an estimate on the amount of additional anticipated collections.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration** assume this proposal would have no fiscal impact on their organization.

Officials from the **Department of Revenue** (DOR) noted that this proposal would create a requirement for a business license applicant or a state legal defense fund claimant to provide a statement of no tax due before the license could be issued or payment made. DOR officials assume this proposal could lead to increased collections of existing taxes due and therefore, increased revenues. DOR did not provide an estimate of additional tax collections.

DOR officials assume that additional computer programming would be required to update tax processing systems. DOR officials estimated the cost at \$17,808 based on 672 hours of programmer time.

Oversight assumes that DOR could absorb the cost of system updates with existing resources. If unanticipated costs are incurred or if multiple proposals are enacted which increase the DOR workload, resources could be requested through the budget process.

Officials from **Cass County, St. Louis County** and the **City of Centralia** assume this proposal would have no fiscal impact on their organizations.

Oversight notes that this proposal could result in additional tax collections from the payment of delinquent taxes, but assumes the amounts would be insignificant. Oversight will not include any revenue or cost in this fiscal note.

<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

This proposal could have a minor fiscal impact to small businesses which would be required to obtain and present the statement of no tax due when applying for a business license.

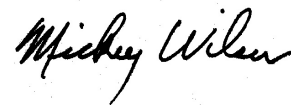
FISCAL DESCRIPTION

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

Office of Administration
Division of Budget and Planning
Department of Insurance, Financial Institutions, and Professional Registration
Department of Revenue
Cass County
St. Louis County
City of Centralia



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L.R. No. 4183-02
Bill No. HB 1582
Page 5 of 5
February 3, 2010

Director
February 3, 2010

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