

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1614-01
Bill No.: HB 712
Subject: Arts and Humanities; Revenue Dept.; Taxation and Revenue - Income
Type: Original
Date: March 24, 2011

Bill Summary: Would create the Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund and revise the distribution of funds from the professional athletes and entertainers tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
Total Estimated Net Effect on General Revenue Fund	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund	\$2,000,000	\$2,000,000	\$2,000,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,000,000	\$2,000,000	\$2,000,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
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.

BAP officials stated that this proposal would change the distribution of funds received from the nonresident professional athletes and entertainers' tax. The proposal would reduce the percentage allocated for the Missouri Arts Council from sixty to fifty. The proposal also provides for the greater of two million dollars or ten percent of the nonresident professional athletes and entertainers' tax to be transferred to the Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund.

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

Officials from the **Department of Economic Development, Missouri Arts Council** (MAC) assume this proposal would have significant fiscal impact on MAC through reduced funding into the MAC Trust at a minimum of \$2 million per year (or more).

Oversight notes that this proposal would change the allocation of proceeds from the nonresident athletes and entertainers tax. The allocation to the Missouri Arts Council would be reduced from sixty percent to fifty percent, and an amount equal to the greater of two million dollars or ten percent of the annual estimate of taxes generated would be transferred to the Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund.

Oversight notes that reported collections from the nonresident athletes and entertainers tax are approximately \$30 million per year and assumes that the proposed reduction in the percent allocated to the Missouri Arts Council Trust Fund would not reduce appropriations to the Arts Council below the current \$10 million limit. Based on the expected continuation of current \$10 million transfers in lieu of 50% of estimated program revenues, Oversight assumes that \$2 million could be allocated and transferred to the Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund without changing the amount appropriated and transferred to the Arts Council.

Accordingly, Oversight will indicate a \$2 million annual transfer from the General Revenue Fund to the Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Transfer out</u> - Missouri Juneteenth Heritage and Jazz Festival and Memorial Fund	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>
MISSOURI JUNETEENTH HERITAGE AND JAZZ FESTIVAL FUND			
<u>Transfer in</u> - General Revenue Fund	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
ESTIMATED NET EFFECT ON MISSOURI JUNETEENTH HERITAGE AND JAZZ FESTIVAL FUND	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<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.

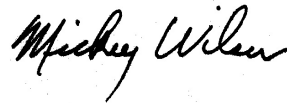
FISCAL DESCRIPTION

This proposal would create the Juneteenth Festival Fund and revise certain provisions governing the professional athletes and entertainers tax.

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 Economic Development
Missouri Arts Council
Department of Revenue

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

Mickey Wilson, CPA
Director
March 24, 2011