

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5866-01  
Bill No.: HB 1765  
Subject: Manufactured Housing; Taxation and Revenue - Sales and Use  
Type: Original  
Date: February 18, 2014

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Bill Summary: This proposal would provide a sales tax exemption for used manufactured homes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks, and Soil and Water	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 2015	FY 2016	FY 2017
<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 2015	FY 2016	FY 2017
Local Government	(Unknown)	(Unknown)	(Unknown)

### FISCAL ANALYSIS

#### ASSUMPTION

#### Section 144.044, RSMo. - Sales Tax Exemption for Used Manufactured Homes

Changes to this provision would authorize an exemption from state and local sales taxes on a manufactured home which does not qualify as "new" as defined in state law.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Economic Development** and the **Joint Committee on Administrative Rules** assume there would be no fiscal impact to their respective organizations from this proposal.

Officials from the **Department of Revenue (DOR)** assume this proposal would have no fiscal impact on their organization but would reduce state revenues.

DOR officials stated they collect sales tax on used manufactured homes which are moved in to Missouri from outside the state but were not able to provide information on amounts collected.

**Oversight** notes that DOR regulations require the payment of sales tax on a used manufactured home if sales tax was not paid on that home when it was new, but if sales tax was not paid on that manufactured home when it was new, sales tax is due on 100% of the used sales price. Oversight does not have any information as to the number or amount of transactions involved in used manufactured home sales and assumes this proposal would result in an unknown revenue reduction for the General Revenue Fund, other state funds that receive sales taxes, and for local governments for FY 2015, FY 2016, and FY 2017.

**Oversight** understands that sales tax revenues in the School District Trust Fund are distributed along with other revenues to local school districts but will not show those transfers in this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Revenue reduction - DOR</u>			
Sales tax exemption on used manufactured homes			
Section 144.044	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - State Government  
 (Continued)

FY 2015  
 (10 Mo.)

FY 2016

FY 2017

**CONSERVATION COMMISSION  
 FUND**

Revenue reduction - DOR  
 Sales tax exemption on used  
 manufactured homes  
 Section 144.044

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
 CONSERVATION COMMISSION  
 FUND**

**(Unknown)**

**(Unknown)**

**(Unknown)**

**PARKS, AND SOIL AND WATER  
 FUND**

Revenue reduction - DOR  
 Sales tax exemption on used  
 manufactured homes  
 Section 144.044

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
 PARKS, AND SOIL AND WATER  
 FUND**

**(Unknown)**

**(Unknown)**

**(Unknown)**

**SCHOOL DISTRICT TRUST FUND**

Revenue reduction - DOR  
 Sales tax exemption on used  
 manufactured homes  
 Section 144.044

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
 SCHOOL DISTRICT TRUST FUND**

**(Unknown)**

**(Unknown)**

**(Unknown)**

FISCAL IMPACT - Local Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

**LOCAL GOVERNMENTS**

Revenue reduction - DOR  
Sales tax exemption on used  
manufactured homes  
Section 144.044

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
LOCAL GOVERNMENTS**

**(Unknown)**

**(Unknown)**

**(Unknown)**

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on small businesses which sell used manufactured homes.

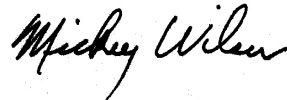
FISCAL DESCRIPTION

This proposal would authorize a state and local sales and use tax exemption for the sale of used manufactured homes.

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 the Secretary of State  
Joint Committee on Administrative Rules  
Department of Economic Development  
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  
February 18, 2014

Ross Strobe  
Assistant Director  
February 18, 2014