

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1751-01
Bill No.: HB 738
Subject: Taxation and Revenue - General; Motor Fuel
Type: Original
Date: April 13, 2015

Bill Summary: This proposal would modify provisions relating to the alternative fuel decal fee.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Road	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on Other State Funds	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 142.800 and 142.803, RSMo. - Motor Fuel Tax

Oversight notes this proposal would change the state's motor fuel tax from the current seventeen cents per gallon excise tax rate to a sales tax at the rate of 10.5946% per gallon based on a statewide average wholesale price.

Oversight was unable to receive agency responses in a timely manner due to the short fiscal note request time. Oversight has prepared this fiscal note with the best current information that we have, or with information regarding a similar bill. Upon the receipt of agency responses, Oversight will prepare an updated fiscal note and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact in excess of current resources.

Oversight assumptions

Oversight assumes this proposal would have a significant impact on the Department of Revenue due to the responsibilities imposed in the calculation of the statewide average wholesale price; however, Oversight has no information as the number of staff or the amount of salary and related costs that would be required for the Department of Revenue to implement this proposal and will indicate an unknown additional cost for that impact.

Oversight will assume this proposal would either have no impact or a minimal impact to other agencies that could be absorbed with existing resources.

Oversight notes this proposal would replace the current motor fuel excise tax with a sales tax and will indicate an unknown increase or reduction in revenue for the proposal for Road Funds and for local governments. Oversight also notes the impact could increase or decrease in subsequent years as the prices of motor fuels fluctuate.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
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ROAD FUNDS

<u>Revenue increase or reduction -</u> Motor fuel tax	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
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<u>Additional cost -</u> Department of Revenue	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON ROAD FUNDS	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (6 Mo.)	FY 2017	FY 2018
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LOCAL GOVERNMENT

<u>Revenue increase or reduction -</u> Cities Motor fuel tax	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
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<u>Revenue increase or reduction -</u> Counties Motor fuel tax	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which operate motor vehicles due to the proposed changes in motor fuel tax.

FISCAL DESCRIPTION

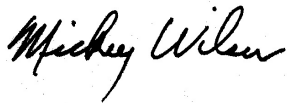
The proposed legislation would modify provisions relating to the motor fuel tax.

The proposal has an effective date of January 1, 2016.

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

Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
April 13, 2015

Ross Strobe
Assistant Director
April 13, 2015