

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4804-01
Bill No.: HB 1599
Subject: Taxation and Revenue - Sales and Use Tax, Counties, Taxation and Revenue - General, Department of Revenue, Business and Commerce
Type: Original
Date: February 26, 2018

Bill Summary: This proposal changes the laws regarding local use taxes by modifying the ballot language for voter approval.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal removes language requiring \$2,000 in purchases from out-of-state vendors before a taxpayer is required to file a use tax return. However, state use tax law retains the \$2,000 threshold in §144.655.5. Therefore, B&P estimates this proposal will have no impact on state or local revenues.

This proposal will have no impact on Total State Revenue. This proposal will not impact the calculation under Article X, Section 18(e).

Officials at the **Department of Revenue** assume there is no fiscal impact from this proposal.

Officials at the **Office of the Secretary of State** assume there is no fiscal impact from this proposal.

Officials at the **Administrative Hearing Commission** assume this proposal will have no fiscal impact on the Office of Administration Administrative Hearing Commission.

Officials at **St. Louis County** assume this proposal would increase revenues if St. Louis County was successful in passing a use tax. St. Louis County is unable to estimate the increase in revenue.

Officials at the **City of Kansas City** assume this proposal would have a positive fiscal impact to the City of Kansas City. The City of Kansas City is unable to estimate the increase in revenue.

Officials at the **St. Louis Board of Election Commissioners** and the **Jackson County Board of Election Commissioners** each assume there is no fiscal impact from this proposal.

Officials at the **City of Columbia** and **Boone County** each assume there is no fiscal impact from this proposal.

Officials at the **City of Springfield** assume this would be a positive impact of more than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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

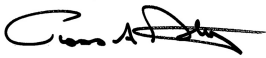
This bill changes the ballot language regarding use tax.

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

City of Springfield
Office of Administration Division of Budget and Planning
Administrative Hearing Commission
Department of Revenue
Office of the Secretary of State
St. Louis County
City of Kansas City
St. Louis County Board of Elections Commissioners
Jackson County Board of Elections Commissioners
City of Columbia
Boone County

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
February 26, 2018