

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0989H.011
Bill No.: HB 766
Subject: Professional Registration and Licensing; Department of Revenue; Taxation and
Revenue - General
Type: Original
Date: February 11, 2025

Bill Summary: This proposal repeals provisions relating to suspension of professional licenses for failure to pay state taxes or file state tax returns.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposed legislation repeals Section 324.010, which provides that professional licenses shall be suspended for failure to pay state taxes or file state income tax returns. Per the current statute, all governmental entities issuing professional licenses, certifications, registrations, or permits, pursuant to sections 209.319 to 209.339, sections 214.270 to 214.516, sections 256.010 to 256.453, section 375.014, sections 436.005 to 436.071, and chapter 317 and chapters 324 to 346, must provide the Department of Revenue with the name and social security number of licensees for verification of tax compliance.

Currently, Section 324.010 requires the Board of Nursing Home Administrators (BNHA) to provide a monthly report of licensees to the Department of Revenue for verification of tax compliance. In the event a licensee is identified as delinquent on any state taxes or has failed to file state income tax returns, the BNHA must notify the licensee of the need to rectify the issue in order to ensure his/her license is not suspended.

Should the proposed legislation become effective, the BNHA would no longer have to perform the duties currently required by Section 324.010.

Oversight assumes that if this legislation becomes effective, DHSS could have a small savings by not having to perform the duties currently required. Oversight assumes the savings would be immaterial and will not reflect them in the fiscal note.

Officials from the **Department of Revenue (DOR)** state currently, if a person holds a professional license that requires registration with the Division of Professional Registration, they must be current in filing all taxes with the State. They must show they have a “No Tax Due” statement from the DOR indicating they are current in all tax filings. Failure to produce such a notice can result in their professional license being suspended.

DOR notes that since the department’s individual income tax filing system went live in 2018, DOR has notified the Division of Professional Registration about 527 taxpayers. Additionally, the last year that the Division of Professional Registration asked for the list of non-filers was in January 2021 and that list contained 51 names. The Division of Professional Registration has requested DOR cease sending them these files.

DOR assumes this proposal would result in minimal amount of time saved by staff from not running the list and answering questions from taxpayers about it. DOR does not estimate any impact to state revenue as DOR will continue to collect any tax owed through other methods.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Office of Administration** and the **Office of the State Auditor** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of Administration - Budget and Planning** defer to the Department of Revenue for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses that fail to pay state taxes or file state tax returns would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

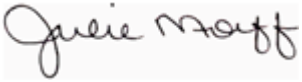
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
 Department of Commerce and Insurance
 Department of Economic Development
 Department of Health and Senior Services
 Department of Revenue

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Office of Administration
Office of the State Auditor



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