

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1406H.02C  
Bill No.: HCS for HB 411  
Subject: Department of Revenue; Taxation and Revenue - General; Taxation and Revenue - Sales and Use; Taxation and Revenue - Property; Property, Real and Personal  
Type: Original  
Date: March 12, 2025

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Bill Summary: This proposal requires the Department of Revenue to implement a property tax mapping feature and place all tax maps prominently on the department home page.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue	(\$7,000,000)	(\$3,000,000)	(\$3,000,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$7,000,000)</b>	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>

\*Oversight notes this fiscal impact represents the cost to DOR from their current vendor to create and maintain a new map on the department's website and make changes to the current sales tax map.

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

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☒ 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 32.310 - DOR's Sales & Use Tax Map adding Property Tax**

Officials from the **Department of Revenue (DOR)** note DOR currently has a map that allows taxpayers to type in their address and see each of the sales and use taxes assessed for their address. This also allows them to see the combined tax rate for their address. This map includes information provided by the local political subdivisions as well as information previously on file with DOR.

This proposal in Section 32.310.1 would require DOR to add property tax information from all political subdivisions to the map by July 1, 2026. This proposal states that DOR is to get the property tax levy information from the State Auditor Office and any additional information from the counties. DOR notes the property tax map is to be implemented with the same features and in the same way as the current sales tax map. Therefore, this property tax map is to be searchable by address. Putting a link on DOR's website directing people looking for levy rates can be done with existing resources. However, adding the property tax rate for each address in order to build a searchable map would require significant additional resources.

It should be noted that DOR does not have anything to do with property tax or maintaining any information about property tax. Property tax is handled by the county assessors and State Tax Commission. Creation of a property tax map would best be handled by the State Tax Commission.

Property tax is assessed based on the type of property it is (residential, commercial etc.) and its market value. That determines the assessed value which is multiplied by the levy amount to determine the amount the taxpayer owes. That levy however, is collected for the local school district, fire protection district, county and various other political subdivisions. DOR does not have that information and it would need to be provided by the counties or the State Tax Commission in order to show the distribution of the levy rate by district. DOR would have to request counties provide the list of all addresses, the rate per address and how and to whom the distribution of the levy is provided.

DOR notes that this mapping system would need to be updated every other year with the reassessment. DOR notes that the department would need additional funding in order to provide the required updates.

This proposal adds a requirement that DOR have a base layer that is color-coded based on the taxation rates. DOR notes the department's current map displays each color-coded taxing jurisdiction but not by rates. This would require updates to the department's existing map, which could cost up to \$1 million. Property tax is done by a levy rate rather than a tax rate so DOR is unable to determine what the department would have to color-code for the property tax map.

DOR would need to work with the State Tax Commission to determine how this would need to be accomplished.

While this proposal states that political subdivisions are to provide their information to DOR by January 1, 2026, it is unclear what should happen if that data is not received. Additionally, this proposal does not give DOR authority to request the information in a format that would allow it to be uploaded into the department's system. DOR's map is handled by a third-party vendor that requires data be provided in a set format for uploading. Additionally, DOR is not currently responsible for property tax and therefore is unable to convert any data not in the proper format.

The Department notes its existing map is not capable of being expanded at this time to add property tax without additional resources. DOR notes that the current sales tax map cost \$5.6 million to build up from and costs an additional \$2.6 million annually to maintain.

DOR has spoken with the department's current vendor, and they estimate that adding property tax to the existing map or creating a new property tax map would require an additional \$5-\$6 million and it require continued ongoing maintenance of another \$2-\$3 million annually.

This proposal requires DOR to link the existing maps to the DOR home page of the department's website. DOR assumes this could be done with existing resources.

Officials from the **Office of the State Auditor** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DOR - §32.310 – Property tax map	(\$6,000,000)	(\$3,000,000)	(\$3,000,000)
<u>Costs</u> - DOR - §32.310 – Sales tax map - color coding by rate	(\$1,000,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$7,000,000)</u></b>	<b><u>(\$3,000,000)</u></b>	<b><u>(\$3,000,000)</u></b>

<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

No direct fiscal impact to small businesses would be expected as a result of this proposal.


FISCAL DESCRIPTION

The proposed legislation requires the department of revenue to implement a property tax mapping feature and place all tax maps prominently on the department home page.

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

Department of Revenue  
Office of the State Auditor



Julie Morff  
Director  
March 12, 2025



Jessica Harris  
Assistant Director  
March 12, 2025