

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2714-01
Bill No.: HB- 1073
Subject: Greene County: Tobacco Taxation
Type: Original
Date: January 8, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 or (\$1,500)	\$0 or (\$1,500)	\$0 or (\$1,500)
Total Estimated Net Effect on <u>All</u> State Funds	\$0 or (\$1,500)	\$0 or (\$1,500)	\$0 or (\$1,500)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0 or (\$851,000)	\$0 or (\$851,000)	\$0 or (\$851,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** stated that this proposal would allow Greene County to impose a countywide cigarette tax. Officials assume that DOR would collect the tax in the same manner as the St. Louis County tax is collected. Officials stated that the forms would need to be changed to reflect Greene County. Officials stated that this could be done with existing resources. New combination stamps (State/Greene County) would be needed. Based on the history of Jackson County, it is estimated that the annual costs the State/Greene County stamps would be \$10,000. Greene County population is 240,391 which is 37% of Jackson County. 37% of Jackson County's cost for stamps was used to estimate the \$10,000 cost.

Based on Jackson County's collections it is estimated that Greene County's collections will total \$851,000 annually. A 1% collection fee of \$8,510 would be retained by the DOR and deposited in the State's General Revenue Fund. Officials assumes that changing the definition of county in Section 66.340 will require DOR to distribute the Greene County funds according to Section 66.350 (the same as St. Louis County). This section requires distribution to all cities in Greene County, based on population. A distribution would need to be developed. Officials stated that this could be done with existing resources.

Oversight will show annual fiscal impact to Greene County and to the State as \$0 should the county not impose the cigarette tax or to the amount estimated by DOR officials. Oversight assumes this is enabling legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE FUND

<u>Income</u> to Department of Revenue from 1% collection fee	\$0 or \$8,500	\$0 or \$8,500	\$0 or \$8,500
<u>Cost</u> to Department of Revenue from printing of tax stamp	<u>\$0 or (\$10,000)</u>	<u>\$0 or (\$10,000)</u>	<u>\$0 or (\$10,000)</u>
Estimated Net Effect to the General Revenue Fund *	<u>\$0 or (\$1,500)</u>	<u>\$0 or (\$1,500)</u>	<u>\$0 or (\$1,500)</u>

***Oversight** assumes this is enabling legislation and would have no fiscal impact without action of the local governing body.

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

CERTAIN COUNTIES

Income- to Greene County
from tobacco tax

\$0 or \$851,000 \$0 or \$851,000 \$0 or \$851,000

FISCAL IMPACT - Small Business

Small businesses that sell tobacco products would have additional administrative duties related to the collection and reporting of the tobacco tax.

DESCRIPTION

This bill allows Greene County to impose a local cigarette tax of up to 2.5 mills per cigarette. Under current law, only St. Louis County and Jackson County are authorized to impose the 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

Department of Revenue

NOT RESPONDING

Greene County Commission



Mickey Wilson, CPA
Acting Director
January 8, 2002

