

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4457-01
Bill No.: HB 1765
Subject: Business and Commerce; Taxation & Revenue - General, Sales and Use
Type: Original
Date: February 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Various State Funds	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to UNKNOWN	\$0 to UNKNOWN	\$0 to UNKNOWN

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
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 to UNKNOWN	\$0 to UNKNOWN	\$0 to UNKNOWN

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation, as worded, would implement through the General Assembly the simplified sales and use tax administration act (SSTP). DOR assumes this legislation would not fiscally impact their agency, but would have an unknown impact on state revenue.

Officials of the **Office of Administration, Budget and Planning (BAP)** did not respond to our fiscal note request. However, BAP stated in a response to similar prior legislation this bill has no fiscal impact to their agency and DOR is better suited to respond to this proposal.

Officials of the **Office of the Secretary of State (SOS), Division of General Counsel** and the **Department of Highway and Transportation (DHT)** assume this bill creates the Simplified Sales and Use Tax Administration Act. SOS and DHT assume this proposal would have no direct fiscal impact on their agencies.

Oversight assumes, for purposes of this fiscal note, this proposal would increase compliance of sales/use tax collections once an agreement is reached with other states. This amount is unknown, as well as when this will occur, therefore Oversight will reflect the revenue impact of this proposal as zero to unknown to various state and local funds.

This legislation could increase total state revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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VARIOUS STATE FUNDS

<u>Income -</u>	\$0 to	\$0 to	\$0 to
Increase in tax compliance	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

TOTAL ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	\$0 to <u>UNKNOWN</u>	\$0 to <u>UNKNOWN</u>	\$0 to <u>UNKNOWN</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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VARIOUS LOCAL FUNDS	\$0 to <u>UNKNOWN</u>	\$0 to <u>UNKNOWN</u>	\$0 to <u>UNKNOWN</u>
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FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted only to the extent that the simplified sales and use tax system reduces the cost to comply with Missouri's sales and use tax laws in the future.

DESCRIPTION

This bill creates the Simplified Sales and Use Tax Administration Act.

The act allows the State of Missouri to enter into the Streamlined Sales and Use Tax Agreement with one or more states to simplify the sales and use tax laws and brings the laws into general conformity among the agreeing states. The act also allows the state to continue negotiations with other states to determine the best approach for obtaining conformity.

The act allows the Department of Revenue to adopt administrative rules and procure goods and services in furtherance of the cooperative agreement. The act also provides for the development of certified service providers for the purpose of collecting and remitting sales and use tax on behalf of sales and use taxpayers.

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
Secretary of State
Department of Highway and Transportation

NOT RESPONDING:
Office of Administration
Budget and Planning



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February 11, 2002