

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0371-01
Bill No.: HB 50
Subject: Motor Vehicle: Charities, Taxes
Type: Original
Date: January 30, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Blind Pension Trust	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume this proposal would have no administrative impact. Officials assume local governments would have fiscal impact, however, officials could not estimate the amount of impact.

Officials of the **State Tax Commission** stated they do not have any data on the number of vehicles that would qualify for this exemption. Therefore, officials cannot project the fiscal impact. Officials assume the impact could be significant. Officials stated there would be no fiscal impact to the Commission, however, there would be an unknown loss of revenue to local political subdivisions.

Officials of the **City of St. Louis** stated their assessor has estimated that one-fourth of the vehicles are leased to tax exempt entities. Based on this estimate, this proposal would result in a reduction of \$828,500 in revenues collected by the City on behalf of various taxing authorities. Of that amount, the City of St. Louis would lose approximately \$183,500 in tax revenue.

Officials of the **Kansas City Manager's Office** stated they cannot estimate the number of vehicles that would become exempt from paying personal property taxes, therefore, the loss of

revenue to taxing districts is unknown.

ASSUMPTION (continued)

Officials of **Jefferson County** stated this proposal would affect approximately 20 vehicles that would be removed from the tax rolls. Officials stated this would reduce the county wide assessed value by approximately \$70,000.

Officials of the **City of Springfield** estimate the loss of revenue to the City at \$80,000. Officials stated the loss of revenue to their school district would be more significant.

Officials of **Platte County** assume loss of income would be minimal.

Officials of the **City of St. Joseph** stated they have no way to estimate the loss of tax revenue, therefore, the loss of income is unknown.

Oversight assumes that an exemption from assessment of property taxes would result in an annual loss of revenue to the **Missouri Blind Pension Trust Fund**. Section 209.130 establishes a levy of .03 cents per \$100 of assessed valuation of taxable property in the State. The purpose of the tax is to pay blind pensions as required by law. The amount of loss is indeterminable and unknown. Oversight assumes on a statewide basis the loss in revenue to the Blind Pension Trust Fund would not exceed \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
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BLIND PENSION TRUST FUND

<u>Loss</u> to Blind Pension Trust Fund from property tax exemption on certain motor vehicles	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
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LOCAL TAXING DISTRICTS

Loss to Local Governments

from property tax exemption on certain motor vehicles.

\$0 (Unknown) (Unknown)

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill exempts from personal property tax motor vehicles leased for a period of at least one year by certain not-for-profit tax exempt entities and government agencies if the vehicles are used exclusively for the entities' exempt purposes.

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
State Tax Commission
City of St. Louis
Kansas City Manager
City of Springfield
City of St. Joseph
Jefferson County
Platte County



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Director
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