

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0862-01
Bill No.: SB 236
Subject: Taxation and Revenue - Income; State Employees; Employees - Employers;
 Museums
Type: Original
Date: February 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	Unknown to (\$88,853)	Unknown to (\$31,140)	Unknown to (\$31,140)
Total Estimated Net Effect on General Revenue Fund*	UNKNOWN to (\$88,853)	UNKNOWN to (\$31,140)	UNKNOWN to (\$31,140)

*Could exceed \$100,000 annually.

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

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** assume this proposal would not fiscally impact their agency.

Officials of the **Department of Revenue (DOR)** state this legislation authorizes a check off on the face of the income tax returns allowing individuals and corporations to designate a portion of their refund to be given to the Workers Memorial Fund. Taxpayers can also, by separate check, make donations to this fund with their tax return.

DOR will have to add another line to the individual income tax return and the corporate income tax form to allow for the trust fund amount. The additional line on the returns will create additional key entry and DOR will need 4 Tax Season Temporaries to handle the additional fields. The COINS, MINITS and the PC applications for both corporate and individual returns will need to be modified for the new trust fund. DOR anticipates that 1,730 hours of programming will be needed at a cost of \$57,712. DOR did not provide an estimate of the revenue impact of this legislation.

ASSUMPTION (continued)

Office of Administration, Budget and Planning (BAP) officials assume this proposal would allow individuals and corporations who are entitled to an income tax refund to designate a portion of the refund to the Workers Memorial Fund. BAP has no empirical basis for estimating the number of individuals and corporations who would participate in such a program. This bill would have no impact on BAP.

According to the Missouri Department of Revenue's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2001, there were 3,377,662 individual income tax returns filed with 1,682,676 returns claiming a refund for the 2001 tax year. Also, there were 152,042 corporation returns filed with 8,353 returns claiming a refund for tax year 2001. Each of these taxpayer, as well as any taxpayer that wants to add a contribution to the tax amount they owe, would be eligible under this proposal to contribute \$1 or more to the Workers Memorial Fund. Therefore, **Oversight** assumes the revenue impact for this legislation would be unknown, could exceed \$100,000, annually.

This proposal would result in an increase in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Income - General Revenue Fund</u>			
Workers Memorial Fund contributions*	Unknown	Unknown	Unknown
<u>Cost - Department of Revenue</u>			
Personal Service (4 temp.)	(\$31,140)	(\$31,140)	(\$31,140)
Fringe Benefits	\$0	\$0	\$0
Programming costs	<u>(\$57,713)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs - DOR	<u>(\$88,853)</u>	<u>(\$31,140)</u>	<u>(\$31,140)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>UNKNOWN to</u> <u>(\$88,853)</u>	<u>UNKNOWN to</u> <u>(\$31,140)</u>	<u>UNKNOWN to</u> <u>(\$31,140)</u>

*Could exceed \$100,000, annually

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal creates a one dollar check-off for the Workers Memorial Fund to be put on each tax return filed after January 1, 2004. Taxpayers will be able to donate one or more dollars of a refund claimed to the fund. Taxpayers can also send a check or other negotiable instrument designated to the fund with their tax return.

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 Treasurer
Office of Administration
Budget and Planning



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Director
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