

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3709-01  
Bill No.: SB 1085  
Subject: Taxation and Revenue - Income; State Treasurer  
Type: Original  
Date: January 30, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$69,255)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$69,255)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Multiple Sclerosis Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Assumes an unknown amount of contributions distributed to MS Society annually.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal has no impact on BAP. BAP assumes the following: In each tax year beginning January 1, 2004, a taxpayer entitled to a tax refund may designate a portion of that refund go to the newly created Multiple Sclerosis Fund. This proposal would have no impact on general revenue or total state revenues. BAP has no basis for estimating the amount of contributions to this fund.

Officials of the **State Treasurer (STO)** assume this legislation creates the Multiple Sclerosis Fund (143.602.2)

- in the treasury
- funded by a donation of a tax refund on the first page of the income tax return
- donations may also be made by check, draft or other negotiable instrument sent to the Department of Revenue
- the Director of Revenue shall forward amounts received to STO for deposit into the fund
- all contributions received by designation on the income tax return shall be transferred monthly (less cost of collection and handling by DOR) to STO for deposit in the fund
- STO shall distribute moneys deposited in the fund at least annually and in equal amounts to the Multiple Sclerosis Society, Gateway Area Chapter, for use throughout the state of Missouri.

ASSUMPTION (continued)

STO requests one FTE at the Accountant II level plus the corresponding expense and equipment to reconcile the new fund and distribute the money annually.

**Oversight** assumes STO's current staff can handle the increase in workload created by this proposal since this proposal would require twelve deposits a year and one distribution.

Officials of the **Department of Revenue (DOR)** state this legislation establishes a check off on the individual and corporate tax returns for the Multiple Sclerosis Fund. Taxpayers donating, but not receiving a refund to offset, may submit a separate check for their donation with their tax return. DOR is to deposit all contributions to the Multiple Sclerosis Fund, which is also created by this legislation.

Taxation will have to modify the MINITS and COINS systems to allow for the check off to be added to the tax returns and for the accountability of the contributions. DOR assumes it will take 1,384 hours of programming on the MINITS system and 692 hours of programming on the COINS system, at a cost of \$69,255. DOR defers any revenue impact to BAP.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Dept. of Revenue			
Programming	(\$69,255)	<u>\$0</u>	<u>\$0</u>
<b>TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$69,255)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>MULTIPLE SCLEROSIS FUND</b>			
<u>Income</u> - contributions	Unknown	Unknown	Unknown
<u>Transfers Out</u> - to MS Society	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ALS LOU GEHRIG'S DISEASE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
	<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.

DESCRIPTION

This proposal creates a one dollar check-off on the Missouri income tax return. The money designated by the check-off will be deposited into the Multiple Sclerosis Fund, to be distributed to the Gateway Area Charter of the Multiple Sclerosis Society. The check-off of one dollar is primarily for taxpayers who are to receive a refund. However, taxpayers who owe taxes may also contribute to the fund and any taxpayer may elect to contribute more than one dollar.

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 Administration  
Division of Budget and Planning  
State Treasurer



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