

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0715-01
Bill No.: HB 130
Subject: Cities, Towns, and Villages; Revenue Dept.; Taxation and Revenue -
Sales and Use
Type: Original
Date: February 21, 2007

Bill Summary: Would provide an exemption from local sales and use tax for sales and leases by local governments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation**, the **Department of Revenue**, **Lincoln University**, **Missouri State University**, the **University of Central Missouri**, **Kansas City Metropolitan Community Colleges**, **Linn State Technical College**, **Moberly Area Community College**, **St. Louis Community College**, the **Missouri Higher Education Loan Authority**, and **Jackson County**, assume this proposal would have no fiscal impact on their organizations.

Officials from the **University of Missouri** assume their organization would incur no additional costs as a result of this proposal.

Officials from **St. Louis County** stated that any exemptions to sales tax would amount to a loss in revenue for the County. In this case we do not have a good idea of the magnitude because we do not know what percent of County sales would fall into this category.

Officials from the **City of Centralia** assume this proposal would likely have no fiscal impact on their organization since they do not anticipate any Chapter 100 projects.

Officials from the **City of North Kansas City** assume this proposal would have only a minimal impact on their organization.

Oversight assumes that any revenue losses to local governments as a result of this proposal would be minimal.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact to small businesses which participate in projects which would be exempted from local sales tax.

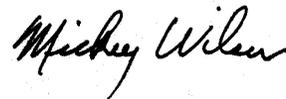
FISCAL DESCRIPTION

This proposal would provide an exemption from sales tax for sales and leases of tangible personal property by local governments provided such sale or lease is authorized by Chapter 100, RSMO.

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 Conservation
Department of Revenue
Lincoln University
Missouri State University
University of Central Missouri
University of Missouri
Kansas City Metropolitan Community Colleges
Linn State Technical College
Moberly Area Community College
St. Louis Community College
Missouri Higher Education Loan Authority
Jackson County
St. Louis County
City of Centralia
City of North Kansas City



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Director
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