

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2312-01  
Bill No.: Perfected HB 916  
Subject: Gambling; Veterans  
Type: Original  
Date: April 11, 2007

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Bill Summary: This proposal exempts veterans', service and fraternal organizations from paying the 2% tax on gross receipts for each bingo pull-tab card sold.

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Bingo Proceeds for Education Fund	(\$543,000)	(\$652,000)	(\$652,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$543,000)</b>	<b>(\$652,000)</b>	<b>(\$652,000)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

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

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Missouri Veterans' Commission** and the **Missouri Lottery** each assume the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from this year (HB 188), officials from the **Department of Revenue** assumed the proposal would not fiscally impact their agency.

Officials from the **Missouri Gaming Commission (GAM)** state there are approximately 418 regular bingo licensees and the approximate pull-tab tax collected for FY 2006 was \$805,152. GAM assumes the exemption of veterans, service and fraternal organizations will reduce this amount by 81%, therefore, the exemption of veterans, service and fraternal organizations will reduce collections by \$652,000 ( $\$805,152 \times 81\%$ ). This would be a reduction in funding to schools if these groups were exempted. FY 2008 is shown as approximately \$543,000 to account for only 10 months assuming the law would not be in effect until sometime in August.

**Oversight** will reflect the reduced revenue to the Bingo Proceeds for Education Fund. However, this loss of revenue could also be reflected at the local school districts.

**This proposal could reduce Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>BINGO PROCEEDS FOR EDUCATION FUND</b>			
<u>Loss - Missouri Gaming Commission</u> Loss of revenue from exemption of veterans organizations from tax on pull- tab cards.	<u>(\$543,000)</u>	<u>(\$652,000)</u>	<u>(\$652,000)</u>
<b>ESTIMATED NET EFFECT TO THE BINGO PROCEEDS FOR EDUCATION FUND</b>	<b><u>(\$543,000)</u></b>	<b><u>(\$652,000)</u></b>	<b><u>(\$652,000)</u></b>

<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

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

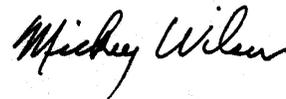
FISCAL DESCRIPTION

Currently, bingo pull-tab card suppliers are required to pay a tax equal to 2% of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri. This bill exempts veterans', service and fraternal organizations from this tax.

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

Missouri Lottery Commission  
Missouri Veterans' Commission  
Missouri Gaming Commission  
Department of Revenue



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Director  
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