

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0908-02
Bill No.: HB 346
Subject: Agriculture and Animals; Taxation and Revenue - Sales and Use
Type: Original
Date: March 15, 2011

Bill Summary: Would create state and local sales and use tax exemptions, for the purchase of feed for captive wildlife and for sales of captive wildlife.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks, and Soil and Water	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create a sales tax exemption for sales of captive wildlife and feed products for captive wildlife. This proposal would reduce General and Total State Revenues, including dedicated funds, and local revenues by an unknown amount.

Officials from the **Department of Conservation** stated that Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to the Missouri Constitution. Exempting the purchase of feed for captive wildlife and sales of captive wildlife from sales tax would decrease sales taxes collected, and would decrease revenue to the Conservation Sales Tax funds.

Officials from the **Department of Elementary and Secondary Education** deferred to the Department of Revenue for an estimate of the fiscal impact of this proposal.

Officials from the **Department of Natural Resources** assume that this proposal would create a sales tax exemption for the purchase of feed for captive wildlife and for sales of captive wildlife. The proposal would decrease the amount of funding available in the Parks & Soils Sales Tax Funds. These funds have been used for the acquisition and development and maintenance and operation of state parks and historic sites, and to assist agricultural landowners.

ASSUMPTION (continued)

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization but would have a negative impact on general revenue.

Officials from **Platte County** assume that any sales/use tax exemptions would have an adverse effect on county revenue.

Officials from **St. Louis County** stated that the loss would not be great. County officials did not provide an estimate of the fiscal impact, but stated that they could not define their sales tax revenue base to this level of detail.

Officials from the **City of Kansas City** assume this proposal would have no fiscal impact on their organization.

Officials from the **City of Raytown** stated that there is no fiscal impact to their organization that they could easily identify as a result of this proposal.

Officials from **Parkway School District** assume that any reduction in sales tax could have an impact on local school district revenues but an estimate is not able to be determined at this time.

Officials from the **St. Louis Public Schools** assume there would be no fiscal impact to their organization as a result of this proposal.

Oversight will indicate an unknown reduction of revenues for the state General Revenue Fund, for those other state funds which receive sales tax revenues, and for for local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Revenue reduction</u> - sales tax exemptions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
CONSERVATION COMMISSION FUND			
<u>Revenue reduction</u> - sales tax exemptions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
PARKS, AND SOIL AND WATER FUNDS			
<u>Revenue reduction</u> - sales tax exemptions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
SCHOOL DISTRICT TRUST FUND			
<u>Revenue reduction</u> - sales tax exemptions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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LOCAL GOVERNMENTS

<u>Revenue reduction - sales tax exemptions</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses involved in buying or selling qualifying products.

FISCAL DESCRIPTION

The proposed legislation would create sales and use tax exemptions, for the purchase of feed for captive wildlife and for sales of captive wildlife.

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

Office of Administration
 Division of Budget and Planning
Department of Conservation
Department of Elementary and Secondary Education
Department of Natural Resources
Department of Revenue
Platte County
St. Louis County
City of Kansas City
City of Raytown
Parkway School District
St. Louis Public Schools



Mickey Wilson, CPA
Director
March 15, 2011