

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6318-01
Bill No.: HB 2092
Subject: Taxation and Revenue - Sales and Use; Saint Louis County
Type: Original
Date: May 1, 2012

Bill Summary: Would change the provisions relating to the distribution of local sales taxes in certain counties.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> 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 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| 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 2013 | FY 2014 | FY 2015 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** (DOR) assume this proposal would require programming changes related to the sales tax distribution in St. Louis County. DOR officials did not indicate any other fiscal impact for this proposal.

DOR officials provided an estimate of the cost to make the programming changes of \$26,606 based on an 1,004 hours of time for programming by the Office of Administration, Information Technology Services Division staff assigned to DOR (ITSD-DOR).

Oversight assumes ITSD-DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

Officials from **St. Louis County** provided a response which indicated the proposal would not result in any costs or savings to their organization, but would cause a revenue reduction of approximately \$3 million per year to their organization. The St. Louis County response indicated that annual revenue to their organization would be reduced by \$2.1 million by eliminating the current statutory annexation adjustment factor, and annual revenue to their organization would be reduced another \$978,000 by ending the current quarter-cent sales tax sharing provisions.

Oversight did not receive any responses from municipalities in St. Louis County. Oversight assumes individual local governments might receive more or less revenue under a revised distribution system, but this proposal would not change the total amount collected or distributed overall. For fiscal note purposes, Oversight will indicate no impact to local governments.

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - State Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
| | <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

The proposed legislation would change the distribution of local sales tax revenues in certain counties.

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
St. Louis County



Mickey Wilson, CPA
Director
May 1, 2012