

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1903-01  
Bill No.: Perfected HB 825  
Subject: Revenue Dept.; Taxation and Revenue - General, Sales and Use  
Type: Original  
Date: March 29, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<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>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation is technical cleanup for SB 896, which was passed last year. This legislation revises the exemption for the sale of bullions and investment coins to allow for the exemption from all local sales taxes. DOR assumes there would be no revenue impact or administrative impact to the Department of Revenue because of this legislation.

DOR states that local sales/use tax are not currently being collected on bullion and investment coins.

In the fiscal note for SB 896, **Oversight** assumed, according to the Merchandise Product Lines report from the 1992 Census of Retail Trade, that coins, metals and other numismatic items account for roughly 0.1% of retail sales at jewelry stores. Oversight assumed this would represent coins and gold bullion as defined in this proposal. Also, total sales of jewelry in the United States totaled \$25,872,289,000.

Therefore, assuming that coins and metals sold outside of jewelry stores is proportionate to coins and metals sold within jewelry stores, the total sales of coins and metals in the United States in 1992 is estimated to be \$25,872,289. Assuming that Missouri sales represent 1.9% of this total, \$491,573 of sales in Missouri in 1992 were for coins and metals. Growing the jewelry sales by 5% for all years since 1992, estimated sales in Fiscal Year's 2002, 2003 and 2004 for coins and gold bullion are estimated to be \$800,721, \$840,757 and \$882,794 respectively. This would result in a loss in local sales tax revenue of \$9,008 in FY 2002 (9 months), \$12,611 in FY 2003 and \$13,242 in FY 2004. #However, this loss was reflected in the fiscal note for SB 896 and a local sales and use tax exemption is already being applied to gold bullion and investment coins.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (9 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (9 Mo.)	FY 2003	FY 2004
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### **CITIES AND COUNTIES**

Loss-Sales tax exemption for sales of gold bullion and investment coins	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This act makes technical clarifications and corrections to the local sales and use tax exemption for purchases of bullion and investment coins.

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



Jeanne Jarrett, CPA  
Director  
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