

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0418-02  
Bill No.: Perfected SCS for SB 68  
Subject: Taxation and Revenue – General; Taxation and Revenue – Sales and Use;  
 Education, Higher; Parks and Recreation  
Type: Original  
Date: March 31, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<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 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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 2006</b>	<b>FY 2007</b>	<b>FY 2008</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

Officials with the **Coordinating Board for Higher Education, Department of Economic Development, and Department of Revenue** assume the proposed legislation would have no impact on their agencies.

Officials with **Central Missouri State University, Kansas City Metropolitan Community Colleges, Linn State Technical College, and the University of Missouri System** assume the proposed legislation would have no fiscal impact on their institutions.

Officials with the **Office of Administration – Division of Budget and Planning (BAP)** assume there could be a loss of revenue to the state as a result of this proposal. BAP officials assume the legislation would not have any fiscal impact on their agency.

Officials with the **City of St. Louis** assume that collegiate championship events are operated by not-for-profit organizations and, thus, are not presently paying sales tax on tickets.

Officials with the **Jackson County Sports Complex Authority** assume this proposal would have no negative fiscal or economic impact on its agency.

ASSUMPTION (continued)

**Oversight** assumes that this proposal would exempt from sales tax tickets sold for collegiate championship athletic events held at “neutral sites” that are publicly-owned facilities. **Oversight** assumes this could include intercollegiate championship tournaments and games and other “neutral site” contests. Examples would include NCAA basketball Final Four events, NAIA basketball championship tournaments, Big XII Conference tournaments or championship events in various sports, etc.

Such events are most often awarded to cities and venues as a result of a competitive bidding process among cities and venues from a variety of states. Some events are awarded by a contract with a host city for a consecutive number of years; others are rotated to various sites on an annual basis. Historically, Missouri has been competitive in bidding for and receiving such events.

**Oversight** assumes that state and local sales taxes are not presently being collected on the collegiate championship events outlined in this proposal. As a result, this proposal merely codifies existing practices and eliminates administrative requirements placed upon not-for-profit organizations related to ticket sales. Therefore, **Oversight** assumes no fiscal impact to state or local revenues as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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.

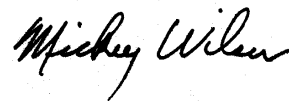
## DESCRIPTION

This legislation creates a sales tax exemption for collegiate championship athletic events held in a publicly-owned facility that is considered a “neutral site” and that may reasonably be played at a site located outside the state of Missouri.

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

Coordinating Board for Higher Education  
Department of Economic Development  
Department of Revenue  
Office of Administration  
    Division of Budget and Planning  
Central Missouri State University  
Kansas City Metropolitan Community Colleges  
Linn State Technical College  
University of Missouri System  
City of St. Louis  
Jackson County Sports Complex Authority



Mickey Wilson, CPA  
Director  
March 31, 2005