

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0886-01
Bill No.: SB 219
Subject: Taxation – Income
Type: Original
Date: March 30, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	Up to (\$35,712)	Up to (\$35,712)
Total Estimated Net Effect on General Revenue Fund	\$0	Up to (\$35,712)	Up to (\$35,712)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Revenue** assume this proposal would have no fiscal impact on their agency.

Officials with the **Office of Administration – Division of Budget and Planning (BAP)** assume this proposal creates an income tax dependency exemption for stillborn children. According to 2003 Missouri Vital Statistics, as published by the Missouri Department of Health and Senior Services, 496 fetal deaths occurred in Missouri in 2003. Multiplying that figure by the \$1,200 dependency exemption would exempt \$595,200 from Missouri taxable income. Assuming a 6% tax rate, BAP assumes this proposal would have a negative impact on General Revenue of \$35,712 per year.

Oversight assumes that not all households that give birth to a stillborn child would have enough taxable income to utilize the full \$1,200 exemption. Therefore, the total impact to General Revenue may not reach the full \$35,712 assumed by BAP.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
Loss – Income Tax Exemptions	\$0	Up to (\$35,712)	Up to (\$35,712)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>Up to (\$35,712)</u>	<u>Up to (\$35,712)</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.

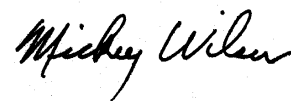
DESCRIPTION

This legislation creates an income tax dependency exemption for stillborn children.

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
Office of Administration
Division of Budget and Planning



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