

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3397-03  
Bill No.: SB 696  
Subject: Motor Carriers; Taxation and Revenue - Sales and Use.  
Type: Original  
Date: January 25, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* **Minimal Amount**

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Various State Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* **Minimal Amount**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* **Minimal Amount**

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue** state this proposal has no administrative impact and would have minimal fiscal impact on state revenues to their agency.

Officials from the **Department of Transportation (MoDOT)** assume the proposal would not fiscally impact their agency.

**Oversight** assumes the expansion of the sales tax exemption would lead to a reduction in sales tax revenue to the four state funds as well as local funds. Oversight has no basis for estimating the amount of the reduction resulting from this bill and therefore, has assumed an unknown amount.

**This proposal will reduce Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Loss</u> – Sales Tax Exemption	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>OTHER STATE FUNDS</b>			
<u>Loss</u> – Various State Funds Sales Tax Exemption	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS*</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

\* **Minimal Amount**

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>CITIES AND COUNTIES</b>			
<u>Loss</u> – Cities and Counties Sales Tax Exemption	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT TO CITIES AND COUNTIES*</b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>

\* **Minimal Amount**

FISCAL IMPACT - Small Business

Small businesses that paid sales taxes on such motor vehicles would be fiscally impacted as a result of this proposal.

### DESCRIPTION

Under current law, an exemption from sales tax is permitted for motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers solely in the transportation of persons or property in interstate commerce. This proposal allows such sales tax exemption for motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers in the transportation of persons or property.

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  
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 25, 2006