

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5449-02  
Bill No.: Perfected SB 1207  
Subject: Political Subdivisions: Sales Tax  
Type: Original  
Date: March 29, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<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 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$970,000</b>	<b>\$1,400,000</b>	<b>\$1,400,000</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Department of Revenue** assume no fiscal impact.

Although not specified, **Oversight** assumes that the State Department of Revenue would collect the sales tax, and retain a 1% collection fee. **Oversight** assumes this proposal is permissive and would require voter approval. **Oversight** will show fiscal impact to the State General Revenue Fund as \$0 or Unknown.

Officials of **New Madrid County** estimate the voter approved sales tax would generate in FY 2007 approximately \$970,000 with approximately \$242,500 being distributed to 15 incorporated cities, towns, and villages within the county. Officials estimate revenue collected in FY 2008 at \$1,400,000 with approximately \$350,000 being distributed to cities. Officials estimate in FY 2009 revenue collected at \$1,400,000 with approximately \$350,000 being distributed to cities.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**GENERAL REVENUE FUND**

<b><u>Income</u></b> to Department of Revenue From 1% collection fee on sales tax in New Madrid County.	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b>ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**NEW MADRID COUNTY GENERAL  
REVENUE SALES TAX**

<b><u>Income</u></b> to New Madrid County From voter approved sales tax.	<u>\$727,500</u>	<u>\$1,050,000</u>	<u>\$1,050,000</u>
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<b>ESTIMATED NET EFFECT TO NEW MADRID COUNTY</b>	<b><u>\$727,500</u></b>	<b><u>\$1,050,000</u></b>	<b><u>\$1,050,000</u></b>
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**CITIES WITHIN NEW MADRID  
COUNTY GENERAL REVENUE  
FUND**

<b><u>Income</u></b> to Cities General Revenue Fund From share of voter approved sales tax	<u>\$242,500</u>	<u>\$350,000</u>	<u>\$350,000</u>
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<b>ESTIMATED NET EFFECT TO CITIES IN NEW MADRID COUNTY GENERAL REVENUE FUND</b>	<b><u>\$242,500</u></b>	<b><u>\$350,000</u></b>	<b><u>\$350,000</u></b>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>\$970,000</u></b>	<b><u>\$1,400,000</u></b>	<b><u>\$1,400,000</u></b>
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### FISCAL IMPACT - Small Business

Small businesses located in New Madrid County would be impacted to the extent that they would pay, collect and administer the voter approved sales tax.

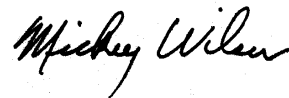
### DESCRIPTION

This act modifies New Madrid County's distribution of revenues from an additional sales tax. Three-fourths of the revenue from the tax would be distributed to the county with the remaining one-fourth to be distributed equally among the incorporated cities, towns, villages within the county. Upon request from any city town or village within the county, the county would make available for inspection, the distribution report provided to the county by the Department of Revenue. Any expenses incurred by the county in supplying such report to a city, town, or village would be paid by such city, town, or village.

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  
County of New Madrid



Mickey Wilson, CPA  
Director  
March 29, 2006