

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1565-01
Bill No.: SB 335
Subject: Business and Commerce; Licenses - Misc; Taxation and Revenue - Income;
 Taxation and Revenue - Sales and Use
Type: Original
Date: February 23, 2007

Bill Summary: Would modify requirements for state and local occupation licenses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Various	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration**, the **City of Centralia**, and the **City of West Plains** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Revenue (DOR)** stated that the proposal would require an official statement that no taxes are due to be presented prior to the issuance of a city, county, or state license. No fiscal impact is anticipated for the Department of Revenue.

In order to facilitate this process, DOR is creating an internet based secure account access web page which would allow a business to obtain such a letter from their office or home computer. Information Technology (ITSD/DOR) estimates the IT portion of this request can be accomplished within existing resources, however; if priorities shift, additional FTE/overtime would be needed to implement this proposal. ITSD/DOR estimates that this legislation could be implemented utilizing 4 existing CIT III for 4 months and 1 CIT III to maintain the program, at a rate of \$66,976.

DOR officials stated that the proposal would be expected to have a positive fiscal impact for the state and for local governments but could not provide an estimate of additional taxes which would be collected.

Oversight will indicated a positive unknown fiscal impact for the General Revenue Fund, Various State Funds, and Local Governments.

<u>FISCAL IMPACT - State Government</u>	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>
GENERAL REVENUE FUND			
<u>Revenue - DOR</u>			
Additional tax collections	<u>Unknown</u>	Unknown	Unknown
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
VARIOUS STATE FUNDS			
<u>Revenue - DOR</u>			
Additional tax collections	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>
LOCAL GOVERNMENTS			
<u>Revenue</u>			
Additional tax collections	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Small Business</u>			

This proposal could have a direct fiscal impact for small businesses licensed by the state or by local governments.

FISCAL DESCRIPTION

This proposal would require a business to obtain a statement from the Department of Revenue that no sales or withholding taxes were due prior to the issuance of any city or county occupation license, or any state license which is required for the sale of goods at retail.

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 Insurance, Financial Institutions, and Professional Registration
Department of Revenue
City of Centralia
City of West Plains



Mickey Wilson, CPA
Director
February 23, 2007