

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3510-03
Bill No.: HCS for SB 841
Subject: Motor Vehicles; Roads and Highways; Motor Carriers.
Type: Original
Date: April 11, 2008

Bill Summary: This proposal increases weight limit for certain motor vehicles equipped with idle reduction technology.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$0	(\$38,275 to \$10,000,000)	(\$39,423 to \$10,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$38,275 to \$10,000,000)	(\$39,423 to \$10,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Department of Revenue	0 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0 FTE	1 FTE	1 FTE

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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 135.670

Officials at the **Department of Revenue** assume this proposal establishes a tax credit. Tax credits reduce the amount of tax due; therefore, reduce state revenues. Personal Tax requires 1 Tax Processing Technician I for every 4,000 tax credits claimed.

Officials at the **Missouri Department of Transportation** assume that there is no fiscal impact from this proposal.

Oversight assumes the proposal would create an unknown reduction in income tax collections in the General Revenue Fund beginning in FY 2010. Oversight assumes that if only 100 vehicles take advantage of the tax credit then the cost would be \$350,000. Oversight assumes that the loss to General Revenue would be Unknown but less than \$10,000,000 as the tax credit is capped at \$10,000,000 per year.

Sections 304.180 and 304.190

Officials at the **Missouri Department of Transportation** and the **Missouri Highway Patrol** assume that there is no fiscal impact from this proposal for their respective departments.

Officials at the **Department of Revenue** assume that the forms and computer programs will need to be modified. The costs of these updates can be absorbed with existing resources.

Due to the Statewide Information Technology Consolidation, the department's response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to the various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed to and Finally Passed the OA-IT costs shown will be requested through appropriations by OA-IT.

Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing 5 existing CIT III's for 2 month at a rate of \$4,186. 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.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and

ASSUMPTION (continued)

regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - Department of Revenue</u>			
Tax credit for adoption of idle reduction technology on class 8 trucks (Section 135.670)	\$0	(\$0 to \$10,000,000)	(\$0 to \$10,000,000)
<u>Cost - Department of Revenue (135.670)</u>			
Personal Service	\$0	(\$26,136)	(\$26,920)
Fringe Benefits	\$0	(\$11,557)	(\$11,904)
Equipment and Expense	<u>\$0</u>	<u>(\$582)</u>	<u>(\$599)</u>
<u>Total Costs - Dept. of Revenue</u>	<u>\$0</u>	<u>(\$38,275)</u>	<u>(\$39,423)</u>
FTE Change -DOR	0 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
	<u>\$0</u>	<u>(\$38,275 to \$10,000,000)</u>	<u>(\$39,423 to \$10,000,000)</u>
Estimated Net FTE Change for General Revenue Fund	0 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

FISCAL DESCRIPTION

This act provides that the maximum gross vehicle weight limit and axle weight limit for heavy-duty vehicles equipped with idle reduction technology may be increased (up to an additional 400 pounds) to account for the technology.

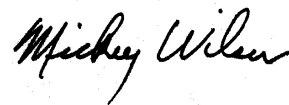
This act creates an income tax credit equal to fifty percent of the amount a taxpayer paid to purchase and install idle reduction technology on a class 8 truck. The maximum amount of the tax credit is \$3,500 per truck. The tax credit is nontransferable and non-refundable, but may be carried forward up to three years until completely claimed.

The provisions of the act automatically sunset two years after August 28, 2008, unless re-authorized.

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 Transportation
Department of Revenue
Missouri Highway Patrol
Office of the Secretary of State



Mickey Wilson, CPA

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