

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5365-01
Bill No.: SB 1268
Subject: Employees - Employers; Taxation and Revenue - Income
Type: Original
Date: March 25, 2008

Bill Summary: Would limit the number of employee withholding exemptions for state income tax purposes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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 4 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
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume this proposal would have no fiscal impact to their organization. BAP officials noted that this proposal would not make any other changes to net individual taxes owing each year.

Officials from the **Department of Revenue** (DOR) assume this proposal would have no fiscal impact on their organization. DOR officials said they could not provide information as to the number of taxpayers who currently claim more than ten withholding exemptions.

Officials from the **University of Missouri, Economic Policy Analysis and Research Center** (EPARC), provided information that indicated only 100 Missouri taxpayers claimed more than ten exemptions on their Missouri income tax returns. EPARC officials were not able to provide any information regarding exemptions claimed on tax withholding (W-4) forms.

Officials from the **Office of Administration, Division of Accounting** were not able to provide information regarding the number of employees who claim more than ten exemptions for payroll purposes.

Oversight assumes this proposal would limit employees in the state of Missouri to ten withholding exemptions for state income tax purposes. Oversight assumes the proposal would have no fiscal impact on the state or on local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

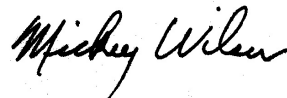
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Office of Administration
 Division of Accounting
 Division of Budget and Planning
Department of Revenue
University of Missouri
 Economic Policy Analysis and Research Center



Mickey Wilson, CPA
Director
March 25, 2008