

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1862-05
Bill No.: Perfected SS #2 for SCS for SB 363
Subject: Revenue Department; Taxation and Revenue - Sales and Use; Motor Vehicles;
Type: Original
Date: April 16, 2009

Bill Summary: Allows the Department of Revenue to appoint motor vehicle dealers to serve as agents for the purpose of collecting and remitting motor vehicle sales and use taxes

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown)	(Unknown)	(Unknown - More than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown - More than \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway	(Unknown)	(Unknown)	(Unknown - More than \$100,000)
Road Bond	(Unknown)	(Unknown)	More than \$100,000 to (Unknown)
Transportation	(Unknown)	(Unknown)	Unknown to (Unknown)
Road	(Unknown)	(Unknown)	More than \$100,000 to (Unknown)
School District Trust	(Unknown)	(Unknown)	More than \$100,000 to (Unknown)
Conservation Commission	(Unknown)	(Unknown)	More than \$100,000 (to Unknown)
Parks, and Soils and Water	(Unknown)	(Unknown)	More than \$100,000 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	More than \$100,000 to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on FTE	Unknown	Unknown	Unknown

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 2010	FY 2011	FY 2012
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Transportation** defer to the Department of Revenue for estimates of fiscal impact on Highway funds.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this proposed legislation will not significantly alter its caseload. However, if other proposals also pass, there will be fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **State Tax Commission** state this proposal will not have a fiscal impact on their agency.

ASSUMPTION (continued)

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume there would be no added cost to their organization as a result of this proposal. BAP officials stated that this proposal would allow for the collection of sales and use taxes at the point of sale by certain motor vehicle dealers, and sets up related procedures. This proposal would have no direct impact on general and total state revenues, but may increase general and total state revenues if these provisions prevent some levels of sales tax evasion.

§32.095; 136.055; 144.060; 144.070 - Motor vehicle dealers as agents

Officials from the **Department of Revenue (DOR)** assume this proposal would allow but not require dealers to collect sales tax on their sales. It is unknown how many dealers would choose to collect and remit sales tax, or how many vehicle purchasers will purchase from dealers who collect sales tax. DOR bases their calculations on 50% of all dealers choosing to do so.

In FY 2007 there were approximately 58,776 individuals who purchased vehicles from a dealer and didn't pay their sales tax or apply for title. Assuming 50% of the dealers will collect sales tax, this figure will decrease by 50% to 29,388. With this proposal those individuals would have to pay sales tax (an average state sales tax of \$480 and an average of \$340 local sales tax each) directly to the dealer at the time of sale. This proposal would result in an increase in motor vehicle sales tax collected by DOR.

ASSUMPTION (continued)

The following is the allocation to each fund:

Sales Tax	FY 2012 (6 months)	FY 2013	FY 2014
State Road Bond Fund	\$2,504,069	\$5,008,138	\$5,008,138
State Transportation Fund	\$66,793	\$133,586	\$133,586
State Road Fund	\$2,437,276	\$4,874,552	\$4,874,552
School District Trust Fund	\$834,666	\$1,669,332	\$1,669,332
Conservation Commission Trust Fund	\$208,702	\$417,404	\$417,404
Parks, and Soils and Water Funds	\$166,877	\$333,754	\$333,754
Cities	\$3,004,908	\$6,009,817	\$6,009,817
Counties	\$2,837,961	\$5,675,922	\$5,675,922
Total State Revenue	\$6,218,383	\$12,436,766	\$12,436,766
Total Local Revenue	\$5,842,869	\$11,685,739	\$11,685,739
Total:	\$12,061,252	\$24,122,505	\$24,122,505
Less 2% collection fee:	\$241,225	\$482,450	\$482,450
Net total:	\$11,820,027	\$23,640,055	\$23,640,055

ASSUMPTION (continued)

Motor Vehicle Title Fee Increase:

There would be a corresponding increase in title fees from the 29,388 vehicle purchasers who now apply for title at \$8.50 as shown below. The \$8.50 title fee is distributed: \$1 to Highway Fund; and the remaining \$7.50 is distributed as follows: 75% Highway Fund, 15% Cities, and 10% Counties.

Motor Vehicle Title Fee Increase	FY 2012 (6months)	FY 2013	FY 2014
Highway Fund - \$1 each	\$14,694	\$29,388	\$29,388
Highway Fund - 75% of Balance	\$82,654	\$165,308	\$165,308
Cities - 15% of Balance	\$16,531	\$33,062	\$33,062
Counties - 10% of Balance	\$11,021	\$22,041	\$22,041
Total	\$124,899	\$249,798	\$249,798

Reduction in Penalties for Failure to Apply for Title Promptly

DOR assumes that because buyers would be paying sales tax up front, there would no longer be a reason to delay applying for title so there would be a projected decrease in title penalties each year of \$4,580,650 to the Highway Fund for vehicle transactions.

DOR officials assume their agency would need to revise policies and procedures and the DOR website. They would also need to notify motor vehicle dealers, leasing companies and salvage dealers regarding this legislation. DOR assumes that \$4,130 would be required for the Motor Vehicle Commission Fund for the cost of these notifications.

Oversight assumes there are sufficient funds in the Motor Vehicle Commission Fund to cover these expenses related to the proposed legislation.

Based on their assumption that fifty percent of dealers would collect and remit sales taxes, DOR officials assume they would process 29,388 additional transactions per year which would require funding of \$6,817 in FY 2012, \$14,045 in FY 2013, and \$14,467 in FY 2014 for printing the titles and envelopes, and postage to mail them to the owner.

ASSUMPTION (continued)

DOR officials assume there would be a decrease in the number of delinquent fee letters issued. In FY 2007, there were a total of 29,388 delinquent fee letters generated due to unpaid motor vehicle dealer sales transactions. DOR assumes this proposal would eliminate fifty percent of the delinquent fee letters, which would result in cost savings for letters, postage, and envelopes in the amount of \$6,802 in FY 2012, \$13,607 in FY 2013 and FY 2014.

DOR officials assume that an unknown additional inventory of additional plates and tabs would be distributed to dealers across the state who are designated as DOR agents, and there would be additional UPS costs associated with shipping those plates to the dealers. DOR will also require an unknown amount of additional funding for Revenue Licensing Technicians and supporting equipment to review the title transactions submitted by dealers designated as agents to ensure all requirements are met before the titles are issued.

DOR will require funding in the amount of \$85,491 for two Revenue Licensing Clerk II's and supporting equipment to process the letters sent to dealers regarding tax discrepancies between what the dealer collected and what was reported on the title application as well as receiving phone calls and any required research. DOR will also require an unknown amount of funding for paper, envelopes and postage to issue these letters.

Collections and Tax Assistance (§32.095 & 114.070)

This section decreases delinquent fees. The actual reduction depends on the number of motor vehicle dealers "appointed" as agents of DOR, the number of transactions that go through those dealers, and the delinquent rate. There would still be delinquent fees for sales between individuals but not when the sale is made by an "appointed" dealer. DOR assumes that if dealers are registered and administered through Motor Vehicle, the following FTE impact could be eliminated. However if Taxation is held responsible for these functions, the following FTE will be required:

- One (1) Revenue Processing Technician I for every 8,300 registrations/maintenance to business tax accounts;
- One (1) Tax Collection Technician I for every 15,000 calls a year to the delinquency phone line;
- One (1) Revenue Processing Technician I for every additional 4,800 contacts in the field offices
- One (1) Revenue Processing Technician I for every additional 3,000 revocations annually

DOR assumes failure to timely remit sales tax only applies to the Motor Vehicle dealers who are

ASSUMPTION (continued)

collecting sales tax. This is a substantial increase to the late pay penalty for all business tax accounts and would result in a significant impact.

If delinquencies are created from dealers failing to file and remit the Motor Vehicle sales tax, additional enforcement activities by Collections and Tax Assistance staff are required. However, as this is a new process, Taxation does not know the number of accounts a Revenue Processing Technician can perform asset research annually;

Cashiering and Processing (§32.095 & 144.070)

- One (1) Revenue Processing Technician I for every additional 50,000 data-entry returns
- One (1) Revenue Processing Technician I for every additional 17,000 returns to be verified
- One (1) Revenue Processing Technician I for every additional 25,000 pre-edited returns

Sales Tax

This will facilitate matching MITS records with Motor Vehicle Dealer records and also document compliance with 144.070 that indicates dealers can be granted authority to collect the tax.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 3 existing CIT III's for 8 months and an additional 3 CIT III's for 3 months at a rate of \$4,441/mo for a total cost of \$146,553. 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.

DOR officials included an estimate of the net cost to implement this proposal including at least 9 additional employees and the related equipment and expenditures totaling \$364,041 for FY 2012, \$370,284 for FY 2013, and \$381,801 for FY 2014.

Oversight assumes this proposal would require considerably less revision of current DOR procedures than is included in the DOR cost estimate. Many sales would likely be trade-in transactions in which the buyer would retain their current license plate. **Oversight** assumes that title application forms completed by dealers would be sent to DOR by those dealers; the dealers would issue temporary license plates as they currently do, and DOR would mail plates or tabs to buyers. Alternatively, the title application forms could be completed on a web-based system developed by DOR to allow for editing and verification before the transaction is entered into the

ASSUMPTION (continued)

TRIPS system. **Oversight** will include an unknown cost for DOR administration of the proposal.

Oversight also notes that the DOR estimates of additional revenues and reduced penalties appear to be based on the collection of a historical average amount of sales and use taxes for all of the current non-filers; DOR has also assumed that fifty percent of dealers would collect and remit sales taxes. **Oversight** assumes that collection from fifty percent of current non-filers is a more realistic estimate although this proposal could result in collection from significantly more or less than fifty percent of current nonfilers.

Oversight will indicate an unknown increase in administrative cost to implement this proposal, an unknown increase in sales tax collections, and an unknown decrease in penalties for the applicable funds and local governments. For fiscal note purposes, **Oversight** assumes that for all years the cost to the General Revenue Fund to administer this proposal would exceed the additional revenue for the General Revenue Fund. **Oversight** also assumes that the loss of title penalties would significantly exceed the revenues from additional title fee collections. Finally, **Oversight** assumes that additional revenues would exceed \$100,000 except for the Transportation Fund.

Officials from **Centralia, Kansas City, and West Plains** do not estimate fiscal impact to their respective cities as a result of this proposed legislation.

Officials from the **Springfield Police Department** state this proposal will have no fiscal impact on their department.

SA 1 - Requires DOR to award fee office contracts in a competitive bid process with priority given to school districts, charitable and nonprofit organizations, and political subdivisions (§136.055)

In response to a similar proposal from this session (SB 561 - FN 2253-01), the following assumptions were provided:

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would appear to benefit schools (some more than others) at a nominal expense to the state in terms of bidding process costs and computing the distribution of the bid award monies to the schools. DESE has no data to determine the extent of any potential gain to school districts or resulting loss to the state. DESE will defer to DOR regarding the fiscal impact. There may be equity issues if only the districts in the counties with fee offices benefit from the revenues.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** assume that §136.055.3 indicates that all fees collected by a tax-exempt organization may be retained and used by the organization. DOR assumes this is referencing office processing fees defined under §136.055.1 only and not driver license or title and registration fees. Since the DOR is currently awarding contract offices through the competitive bidding process, no administrative impact is being shown.

Officials from **Kansas City** assume this proposed legislation could have a positive impact on the City of Kansas City because of the preference given a municipality in being awarded a fee office contract by the state; however, it is impossible to determine the amount of such a positive fiscal impact.

Officials from the cities of **Centralia** and **West Plains** state this proposal will have no fiscal impact on their respective cities.

Officials from **Cass County, Clinton County, and St Louis County** indicated this proposal will have no fiscal impact on their respective counties.

Oversight does not know how many school districts, coalitions of school districts, or political subdivisions would opt to bid for a fee office contract; however, even assuming a small number of contracts awarded, fee income and operating costs are expected to exceed \$100,000 per year.

SA 3 - Sales taxation of trade-in or exchange transactions (§144.025; 144.027)

Officials from DOR assume this amendment to the proposal would result in an unknown decrease in state and local sales/use tax paid on units that are purchased within 180 days of a trade-in to a dealership, sales between individuals, or total loss payments by an insurance company.

The current trade-in tax credit may only be used at the time of titling one vehicle or multiple vehicles titled at the same time, and any unused credit can not be refunded or used on another purchase at a later date. The proposed legislation would allow unused credit to be used towards another purchase provided it is purchased within 180 days.

The current trade-in tax credit may be applied to multiple vehicles, but the trade-in and purchase must happen on the same day at the same dealership. Any remaining credit can not be used at a later date or refunded. The proposal allow any remaining credit to be used on other vehicles purchased within 180 days.

ASSUMPTION (continued)

The current total loss tax allowance can only be used towards the purchase of one like (replacement) unit, i.e. boat for boat, motor vehicle for motor vehicle, etc. The proposal would allow for the credit to be used towards subsequent units purchased within 180 days.

DOR assumes there would be a need to:

- * Revise policies and procedures and the DOR website ;
- * Update the Titling Tips publication to notify licensed Missouri dealers of the change, (these costs will be absorbed);
- * Make small revisions to the DOR-5049 and the DOR-1957 to reflect the change;
- * Update The TRIPS program to reflect remaining tax credit on the TRIPS titling receipt; and
- * Process any additional refunds (see Taxation's fiscal note).

DOR Business Tax would require 1 Tax Processing Technician I for every 3,900 additional refunds generated.

DOR submitted a cost estimate for 1 additional Tax Processing Technician Tech I and associated equipment and expenditures totaling \$36,726 for FY 2009, \$38,723 for FY 2010, and \$39,884 for FY 2011.

SA 5 (\$144.070)

DOR would require One (1) Tax Collection Technician I for every 24,000 delinquent accounts to contact annually.

Oversight assumes this proposal would result in a relatively low number of additional transactions and that the cost could be absorbed with existing resources. If unexpected additional costs are incurred or if multiple proposals are implemented which generate additional transactions, resources could be requested through the budget process.

Oversight assumes this proposal would result in an unknown reduction of sales tax revenues to the state General Revenue Fund as well as to other state funds that receive support from sales tax collections, and to local governments.

This amendment could reduce Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012 (6 Mo)
GENERAL REVENUE FUND			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue increase</u> - Marine title fees	\$0	\$0	Less than \$100,000
<u>Revenue increase</u> - Administrative sanctions	\$0	\$0	Unknown
<u>Revenue reduction</u> - Title penalties	\$0	\$0	(More than \$100,000)
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Department of Revenue	<u>\$0</u>	<u>\$0</u>	<u>(More than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown - More than \$100,000)</u>
Estimated Net Effect on FTE for General Revenue	Unknown	Unknown	Unknown

<u>FISCAL IMPACT - State Government</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u> <u>(6 Mo)</u>
HIGHWAY FUND			
<u>Revenue increase</u> - Title fees	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue reduction</u> - Title penalties	<u>\$0</u>	<u>\$0</u>	(More than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$0</u>	<u>\$0</u>	<u>(Unknown - More than \$100,000)</u>
STATE ROAD BOND FUND			
<u>Revenue increase</u> - sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON ROAD BOND FUND	<u>\$0</u>	<u>\$0</u>	<u>More than \$100,000 to (Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u> <u>(6 mo)</u>
STATE TRANSPORTATION FUND			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	Unknown
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE TRANSPORTATION	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>Unknown to</u> <u>(Unknown)</u>
STATE ROAD FUND			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>More than</u> <u>\$100,000 to</u> <u>(Unknown)</u>
SCHOOL DISTRICT TRUST FUND			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>More than</u> <u>\$100,000 to</u> <u>(Unknown)</u>

<u>FISCAL IMPACT</u> - State Government	FY 2010	FY 2011	FY 2012 (6 Mo)
CONSERVATION COMMISSION FUND			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (\$144.025 & 144.027)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>More than \$100,000 to (Unknown)</u>
PARKS, AND SOILS and WATER FUNDS			
<u>Revenue increase</u> - Sales and use tax	\$0	\$0	More than \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (\$144.025 & 144.027)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PARKS, AND SOILS AND WATER FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>More than \$100,000 to (Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue increase</u> - Cities and counties - Sales and use tax	\$0	\$0	Expected to exceed \$100,000
<u>Income</u> - Processing fee income from license contract offices (§136.055)	Expected to exceed \$100,000	Expected to exceed \$100,000	Expected to exceed \$100,000
<u>Revenue reduction</u> - DOR - Sales taxes (§144.025 & 144.027)	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Expenses of setting up and operating license contract offices (§136.055)	(Expected to exceed <u>\$100,000</u>)	(Expected to exceed <u>\$100,000</u>)	(Expected to exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses which buy or sell vehicles or watercraft, and small businesses which operate Department of Revenue contract offices would expect reduced operating revenues as a result of this proposal.

FISCAL DESCRIPTION

§32.095

Beginning January 1, 2012, the Director of the Department of Revenue (DOR) may select or appoint any motor vehicle dealer, as such term is defined in chapter 301, RSMo, to act as an agent of the Department of Revenue for the purpose of titling and registering motor vehicles and trailers under chapter 301, RSMo, and collecting sales tax under section 144.070, RSMo.

§144.070

Beginning July 1, 2010, any motor vehicle dealer licensed under section 301.560, RSMo, engaged in the business of selling motor vehicles or trailers may apply to the DOR for authority to collect and remit the sales tax required under this section on all motor vehicles and trailers sold by the motor vehicle dealer.

SA 1 - Fee office contracts (§136.055)

This section requires the Director of the Department of Revenue to award fee office contracts through a competitive bidding process with priority given to school districts or coalitions of school districts, charitable organizations, nonprofit organizations, and political subdivisions.

All fees collected by a tax-exempt organization may be retained and used by the organization.

SA 3 - Sales taxation of trade-in or exchange transactions (§144.025; 144.027)

Under current law, a taxpayer who trades-in or exchanges a motor vehicle, trailer, boat or outboard motor may subtract the value of such transaction from the purchase price of another motor vehicle, trailer, boat or outboard motor if such sale is consummated within one hundred and eighty days of the sale of the original article. If the value of the original transaction equals or exceeds the sale price, no tax is owed.

This amendment to the proposed legislation allows taxpayers who trade-in or sell a motor vehicle, trailer, boat, or outboard motor for more than the purchase price of another motor

FISCAL DESCRIPTION (continued)

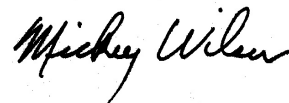
vehicle, trailer, boat or outboard motor to apply any excess to any subsequent purchase of such an article within one hundred and eighty days of the original sale of such article. The proposal extends the same treatment to items replaced due to theft, casualty, or loss.

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 the Secretary of State
 Administrative Rules Division
Office of Administration
 Division of Budget and Planning
 Administrative Hearing Commission
Department of Public Safety
 Missouri State Highway Patrol
Department of Elementary and Secondary Education Department
Department of Revenue
Department of Transportation
State Tax Commission

Cities
 West Plains
 Centralia
 Kansas City
Local Law Enforcement
 Springfield Police Department



Mickey Wilson, CPA
Director
April 16, 2009