

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1988-01
Bill No.: SB 404
Subject: Bingo; Boards, Commissions, Committees, Councils; Gambling; Taxation and Revenue
Type: Original
Date: February 27, 2009

Bill Summary: This proposal repeals certain taxes imposed upon suppliers of bingo and pull-tab cards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Bingo Proceeds for Education Fund	(\$1,800,000)	(\$2,160,000)	(\$2,160,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,800,000)	(\$2,160,000)	(\$2,160,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

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
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Veterans' Commission** assume this proposal would not fiscally impact their agency.

Officials from the **Office of Administration - Budget and Planning** state the proposal repeals the 2% gross receipts tax on boxes of pull tab cards, and the 0.2% tax on bingo cards sold by charitable organizations. In FY 2008, \$2,190,105 was deposited in the Bingo Proceeds for Education Fund. Therefore, this proposal will reduce total state revenues by this amount.

Officials from the **Missouri Gaming Commission (GAM)** state the approximate bingo tax collected for FY 2008 was \$2,155,000. If this bill is passed, there would be an approximate \$2,155,000 decrease in funds contributed to the Proceeds for Education Fund.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the FY 2010 Governor's Recommendation for bingo proceeds is as follows:

\$210,152	Missouri School for the Blind
\$246,486	Missouri School for the Deaf
\$1,250,329	Missouri Schools for the Severely Disabled

There is also a portion that goes toward capital projects at each of the three entities. None of the bingo money goes to local school districts. However, we cannot be certain that other entities do not receive a portion of this money. We cannot determine what portion of bingo proceeds are received from taxes on veteran's, service, and fraternal organizations. Any decrease in bingo proceeds will have a direct negative impact on the Missouri School for the Blind, the Missouri School for the Deaf, and the Missouri Schools for the Severely Disabled.

For simplicity, **Oversight** will reflect the reduced revenue estimate of \$2.16 million to the Bingo Proceeds for Education Fund. However, this loss of revenue could also be reflected at the Missouri School for the Blind Fund, the Missouri School for the Deaf fund, and/or the State Schools for the Severely Handicapped fund. Oversight assumes 10 months of impact in FY 2010. Officials from GAM stated there are currently 4 suppliers of bingo cards that collect and remit this tax monthly to GAM. Therefore, this proposal would not result in a large administrative cost savings to GAM.

This proposal could reduce Total State Revenues.

RS:LR:OD (12/02)

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
BINGO PROCEEDS FOR EDUCATION FUND			
<u>Loss - Missouri Gaming Commission</u>			
Loss of revenue from tax on bingo face cards and pull-tabs	<u>(\$1,800,000)</u>	<u>(\$2,160,000)</u>	<u>(\$2,160,000)</u>
ESTIMATED NET EFFECT TO THE BINGO PROCEEDS FOR EDUCATION FUND	<u>(\$1,800,000)</u>	<u>(\$2,160,000)</u>	<u>(\$2,160,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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

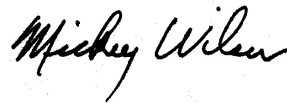
This act repeals the two percent gross receipts tax on suppliers of pull-tab cards and the two-tenths of one cent per bingo card or progressive bingo card tax imposed on suppliers of such cards.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Veterans Commission
Office of Administration - Budget and Planning
Missouri Gaming Commission
Department of Elementary and Secondary Education

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 27, 2009