

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2078-01
Bill No.: SB 572
Subject: Business and Commerce; Economic Development; Higher Education; Science and Technology; Taxation and Revenue
Type: Original
Date: March 23, 2009

Bill Summary: This proposal establishes the Science and Innovation Reinvestment Act.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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 **Department of Revenue, Department of Higher Education** as well as the **Office of Administration - Administrative Hearing Commission** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Treasurer** state if the proposal were written correctly, their agency would not incur a fiscal impact.

Oversight assumes an unknown amount of withholding tax revenue may be redirected from the General Revenue Fund to the new Science and Innovation Reinvestment Fund. Oversight will reflect this as a potential loss of \$0 to an Unknown amount. Oversight will also assume that the authorities will expend all of the proceeds deposited into the new fund

Oversight assumes this proposal could have positive fiscal benefits for the state; however, Oversight considers these benefits to be indirect and have not reflected them on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Loss - Department of Revenue</u>			
percentage of withholding taxes lost to Science and Innovation Reinvestment Fund	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
 SCIENCE AND INNOVATION REINVESTMENT FUND			
<u>Income</u> - withholding taxes redirected from the General Revenue Fund from companies within science and innovation area	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - expenditures made by the science and innovation authority	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
 ESTIMATED NET EFFECT TO THE SCIENCE AND INNOVATION REINVESTMENT FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</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 creates the Missouri science and innovation reinvestment authority to create, attract, and enhance new and existing science and innovation companies in the state and make Missouri the most attractive state for conducting, facilitating, performing, and supporting science and

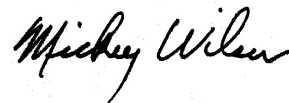
FISCAL DESCRIPTION (continued)

innovation research, development, and commercialization. The act sets out the powers, duties, and membership of the authority. The authority will have the power to allocate certain percentages of employee income tax withholdings of science and innovation companies to the newly created science and innovation fund along with other revenues derived from federal grants, loans, gifts and bond issuances to enhance Missouri's science and innovation research, development and commercialization.

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 Revenue
Office of Administration
Office of the State Treasurer
Department of Higher Education



Mickey Wilson, CPA
Director
March 23, 2009