

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5509-02  
Bill No.: Perfected HB 1504  
Subject: Libraries and Archives; Counties; Taxation and Revenue - General; Taxation and Revenue - Sales and Use  
Type: Original  
Date: March 7, 2012

---

Bill Summary: This proposal relates to sales tax.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	(More than \$100,000)	(More than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Aviation Trust	\$0	More than \$100,000	More than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>More than \$100,000</b>	<b>More than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>\$0</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version of this proposal, officials from the **Office of the Secretary of State** assume the current proposal would not fiscally impact their agency.

In response to a previous version, officials from the **Department of Revenue (DOR)** assume the proposal allows Pemiscot County to impose a one-half cent sales tax for funding operations and maintenance of public libraries in library districts. DOR and Office of Administration - Information Technology Services Division (OA-ITSD) will need to make programming changes to various tax systems in order to comply with the proposal. OA-ITSD (DOR) assumes these changes will require 40 FTE hours, for an estimated cost of \$1,060.

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials from the **County of Pemiscot** did not respond to Oversight's request for fiscal impact.

**Oversight** assumes this proposal is enabling and would have no local fiscal impact or state fiscal impact (DOR collection fee) without action by the governing body.

### Amendment 1

In response to a similar bill, HB 1431, officials from the **Department of Transportation (MODOT)** assumed the proposal would extend the sunset date for depositing sales tax revenues on aviation fuel into the Aviation Trust Fund from December 31, 2013 to December 31, 2023. By extending the sunset date, the proposal would continue critical funding for our aviation programs. There would be no fiscal impact to MODOT unless the extension was not granted and then it would jeopardize the funding for Aviation.

In response to a similar bill, HB 1431, officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumed the proposed legislation would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would extend the sunset on the tax exemption for certain sales of aviation jet fuel. This proposal would reduce Aviation Trust Fund and Total State Revenues, and local revenues, by an unknown amount.

ASSUMPTIONS (continued)

In response to a similar bill, HB 1431, officials from the **Department of Revenue** assumed the proposal would not have a fiscal impact on their organization, but may reduce Total State Revenue.

**Oversight** has obtained from the Department of Revenue's annual reports the amounts of sales tax on aviation jet fuel collected by the Department of Revenue and deposited into the Aviation Trust Fund for the past five years as authorized by Section 144.805, RSMo. The current provision authorized the state portion (3 percent) collected on the sale of aviation jet fuel to be deposited in the Aviation Trust Fund up to a maximum of \$6 million per calendar year, and the cap on the program was increased to \$10 million as of January 1, 2009.

FY 2007	\$5,229,256
FY 2008	\$7,413,601
FY 2009	\$4,777,063
FY 2010	\$4,018,391
FY 2011	\$4,669,303

**Oversight** assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight also assumes that removing or changing the expiration date would extend any fiscal impact associated with the existing provision. Therefore, Oversight will include an estimated impact in this fiscal note.

The current provision was set to expire on December 31, 2013 (FY 2014) and the proposal would have a fiscal impact for six months of FY 2014 and all of FY 2015. For fiscal note purposes, Oversight will indicate unknown additional revenue greater than \$100,000 for the Aviation Trust Fund for FY 2014 and FY 2015. Oversight will include an offsetting revenue reduction to the General Revenue Fund.

The proposal would also extend the current local sales and use tax exemption for aviation jet fuel. Accordingly, Oversight will indicate a revenue reduction greater than \$100,000 for local governments for FY 2014 and FY 2015.

ASSUMPTIONS (continued)

Amendment 2

**Oversight** assumes these provisions would authorize the governing body of any county located within the metropolitan district as of January 1, 2012 to impose an incremental sales tax of up to three-sixteenths of one cent on all retail sales subject to taxation for the purpose of funding the operation and maintenance of the metropolitan park and recreation district.

The tax would have to be imposed by order or ordinance and would be subject to approval by the voters.

**Oversight** assumes this proposal is enabling legislation and would have no local fiscal impact without action by the governing body.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE FUND</b>			
<u>Revenue reduction - sales taxes</u>	<u>\$0</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u>\$0</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<b>AVIATION TRUST FUND</b>			
<u>Additional revenue - sales taxes</u>	<u>\$0</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>
<b>ESTIMATED NET EFFECT ON AVIATION TRUST FUND</b>	<u>\$0</u>	<u>More than \$100,000</u>	<u>More than \$100,000</u>

=====

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2013</u> <u>(10 Mo.)</u>	<u>FY 2014</u>	<u>FY 2015</u>
<b>LOCAL GOVERNMENTS</b>			
<u>Revenue reduction</u> - sales taxes	<u>\$0</u>	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON</b> <b>LOCAL GOVERNMENTS</b>	<b><u>\$0</u></b>	<b><u>(More than</u></b> <b><u>\$100,000)</u></b>	<b><u>(More than</u></b> <b><u>\$100,000)</u></b>
=====			
=====			

FISCAL IMPACT - Small Business

Small business located within the library district and metropolitan districts that elects to impose a sales tax will be required to collect and remit the additional sales tax.

FISCAL DESCRIPTION

This proposal would extend the sunset on the exemption of aviation jet fuel from sales tax, authorizes any public library in Pemiscot County to impose a sales tax and would authorize specific counties to impose a sales tax for funding the operation and maintenance of the metropolitan park and recreation district.

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

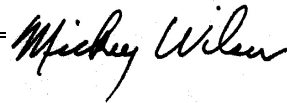
SOURCES OF INFORMATION

Office of the Secretary of State  
Department of Revenue  
Department of Transportation  
Office of Administration - Office of Administration - Budget and Planning

NOT RESPONDING

**Pemiscot County**

---



Mickey Wilson, CPA  
Director  
March 7, 2012