

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1750-02
Bill No.: SB 441
Subject: Charities; Emergencies; Taxation and Revenue - Sales and Use
Type: Original
Date: March 27, 2013

Bill Summary: This proposal would create a transient guest tax exemption and a sales tax exemption for entities providing disaster relief services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks, and Soil and Water	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal would not result in any additional costs or savings to their organization.

BAP officials note this proposal would exempt non - governmental agencies congressionally mandated to provide disaster relief services from transient guest taxes. This provision would have no impact on General and Total State Revenues.

The proposal would also exempt sales made to those non - governmental agencies as part of a disaster relief service from sales tax. This provision could reduce General and Total State Revenues and local revenues by an unknown amount.

Officials from the **City of Kansas City** assume there would be a loss of revenue from this proposal but could not provide an estimate.

Officials from **St. Louis County** assume there would be a minimal amount of lost revenue but could not provide an estimate.

Officials from the **Department of Economic Development - Division of Tourism, Public Service Commission, and Office of Public Counsel**, the **Department of Public Safety - State Emergency Management Agency**, and the **Department of Revenue** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Oversight will include an unknown revenue reduction for the General Revenue Fund and other state funds which receive sales tax revenues, and for local governments. Oversight assumes this proposal would not have an impact on sales tax revenues for road funds.

Oversight will also include an unknown revenue reduction for local governments due to the exemption from transient guest taxes.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Revenue reduction - DOR</u>			
Sales tax exemption			
Section 144.030	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
CONSERVATION COMMISSION FUND			
<u>Revenue reduction - DOR</u>			
Sales tax exemption			
Section 144.030	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
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**PARKS, AND SOIL AND WATER
 FUND**

<u>Revenue reduction - DOR</u> Sales tax exemption Section 144.030	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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SCHOOL DISTRICT TRUST FUND

<u>Revenue reduction - DOR</u> Sales tax exemption Section 144.030	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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LOCAL GOVERNMENTS

<u>Revenue reduction - DOR</u> Sales tax exemption Section 144.030	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue reduction - Local governments</u> Transient guest tax exemption Section 67.1020	(Unknown)	(Unknown)	(Unnknown)
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unnknown)</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 would exempt non - governmental agencies congressionally mandated to provide disaster relief services from transient guest taxes. The proposal would also exempt from state sales tax, local sales tax, and transient guest tax sales to any person when payment is made by those non - governmental agencies as part of a disaster relief service.

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 Budget and Planning
Department of Economic Development
 Divisions of Tourism
 Public Service Commission
 Office of Public Counsel
Department of Public Safety
 State Emergency Management Agency
Department of Revenue
St. Louis County
City of Kansas City



Ross Strope
Acting Director
March 27, 2013