

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1899-01  
Bill No.: SB 398  
Subject: Energy; Taxation and Revenue - Income  
Type: Original  
Date: April 3, 2013

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Bill Summary: This proposal would extend the tax deduction for energy efficiency projects.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0	(Unknown)	(Unkown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. 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 Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization but it would reduce revenue.

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 assume this proposal would result in an unknown negative impact on state revenues.

Officials from the **Joint Committee on Administrative Rules**, the **Department of Economic Development - Missouri Housing Development Commission**, **Public Service Commission**, and the **Office of Public Counsel**, and the **Department of Natural Resources** each assume the proposal would not fiscally impact their respective agencies.

**Oversight** assumes this proposal would extend an existing provision by removing or changing the expiration date. Oversight assumes removing or changing the expiration date would extend any fiscal impact associated with the existing provision. Therefore, Oversight has reflected the fiscal impact in the fiscal note.

ASSUMPTION (continued)

**Oversight** has not been able to obtain any information as to the number and/or cost of these projects and will include an unknown cost to the General Revenue Fund. The current provision would expire December 31, 2013 (FY 2014) and Oversight assumes that the extension would have a fiscal impact on FY 2015, FY 2016, and subsequent years.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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**GENERAL REVENUE FUND**

Revenue reduction - DOR

Deductions for energy audit and efficiency projects

Section 143.121	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON**

<b>GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which are involved in energy efficiency audits or projects.


FISCAL DESCRIPTION

This proposal would extend the tax deduction for energy efficiency projects.

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  
Joint Committee on Administrative Rules  
Office of Administration - Division of Budget and Planning  
Department of Economic Development  
Department of Natural Resources  
Department of Revenue



Ross Strope  
Acting Director  
April 2, 2013