

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4820-01  
Bill No.: SB 612  
Subject: Arts and Humanities; Entertainment, Sports and Amusements; Libraries and Archives; Taxation and Revenue - Income  
Type: Original  
Date: February 4, 2014

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Bill Summary: This proposal would extend the allocation of tax revenues from the nonresident entertainer and athlete tax until December 31, 2019.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	\$0	\$0	(\$7,920,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,920,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Arts Council Trust	\$0	\$0	\$4,800,000
Humanities Council Trust	\$0	\$0	\$800,000
Library Networking	\$0	\$0	\$800,000
Public Television Broadcasting Corporation Special	\$0	\$0	\$800,000
Historic Preservation Revolving	\$0	\$0	\$720,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,920,000</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules** assume that this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of the Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Office of the State Treasurer** assume this proposal would have no fiscal impact on their organization.

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 extend the allocation of non-resident athlete and entertainers' income taxes through 2019, and assume the proposal would have no impact on Total State Revenues.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would extend the current December 31, 2015, expiration date of the allocation of the Nonresident Entertainers and Professional Athletes Income Tax to December 31, 2019. DNR officials noted that subject to appropriation, ten percent of this tax is allocated annually and transferred from the General Revenue Fund to the Historic Preservation Revolving Fund to be made available for historic preservation efforts.

DNR officials assume this proposal would allow the department to continue historic preservation efforts in Missouri.

Officials from the **Office of the State Treasurer, Office of Administration - Office of the Commissioner, the Department of Economic Development - Missouri Arts Council, and the Department of Revenue** assume the proposal would have no fiscal impact on their organizations.

**Oversight** notes that current provisions for this program are in effect for tax years beginning on or after January 1, 1999 but not after December 31, 2015, and assumes that tax revenues from a return filed for a year which began on January 1, 2016, would not currently be subject to the program. Since tax returns for years beginning on or after January 1, 2016, would be filed beginning January 1, 2017, this proposal would have a fiscal impact for FY 2017.

ASSUMPTION (continued)

Current provisions require the Commissioner of Administration to estimate each year the amount of state income tax revenues collected pursuant to the Nonresident Entertainers and Professional Athletes Income Tax. The amounts collected are required, subject to appropriation, to be transferred from the General Revenue Fund to the following funds, allocated as shown in the following chart.

**Oversight** assumes this proposal would extend the sunset on the program, and extending the program would extend the current fiscal impact. Oversight notes that the amounts actually appropriated and transferred have varied from year to year, and for fiscal note purposes will use the amounts appropriated for FY 2014 as shown below.

Fund	Percentage of estimated revenue	Amounts Appropriated for FY 2014
Missouri Arts Council Trust	60	\$4,800,000
Missouri Humanities Council Trust	10	\$800,000
Missouri State Library Networking	10	\$800,000
Missouri Public Television Broadcasting Corporation Special	10	\$800,000
Missouri Department of Natural Resources Missouri Historic Preservation Revolving	10	\$720,000

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Transfer out - OA</u> Arts Council Trust Fund Section 143.183	\$0	\$0	(\$4,800,000)
<u>Transfer out - OA</u> Humanities Council Trust Fund Section 143.183	\$0	\$0	(\$800,000)
<u>Transfer out - OA</u> Library Networking Fund Section 143.183	\$0	\$0	(\$800,000)
<u>Transfer out - OA</u> Public Television Broadcasting Corporation Special Fund Section 143.183	\$0	\$0	(\$800,000)
<u>Transfer out - OA</u> Historic Preservation Revolving Fund Section 143.183	<u>\$0</u>	<u>\$0</u>	<u>(\$720,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>(\$7,920,000)</u></b>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>ARTS COUNCIL TRUST FUND</b>			
<u>Transfer in - OA</u> General Revenue Fund Section 143.183	\$0	\$0	<u>\$4,800,000</u>
<b>ESTIMATED NET EFFECT ON ARTS COUNCIL TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$4,800,000</u></b>
<b>HUMANITIES COUNCIL TRUST FUND</b>			
<u>Transfer in - OA</u> General Revenue Fund Section 143.183	\$0	\$0	<u>\$800,000</u>
<b>ESTIMATED NET EFFECT ON HUMANITIES COUNCIL TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$800,000</u></b>
<b>LIBRARY NETWORKING FUND</b>			
<u>Transfer in - OA</u> General Revenue Fund Section 143.183	\$0	\$0	<u>\$800,000</u>
<b>ESTIMATED NET EFFECT ON LIBRARY NETWORKING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$800,000</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
(Continued)	(10 Mo.)		

**PUBLIC TELEVISION  
 BROADCASTING CORPORATION  
 SPECIAL FUND**

<u>Transfer in - OA</u>			
General Revenue Fund			
Section 143.183	<u>\$0</u>	<u>\$0</u>	<u>\$800,000</u>

<b>ESTIMATED NET EFFECT ON    PUBLIC TELEVISION    BROADCASTING CORPORATION    SPECIAL FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$800,000</u></b>
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**HISTORIC PRESERVATION  
 REVOLVING FUND**

<u>Transfer in - OA</u>			
General Revenue Fund			
Section 143.183	<u>\$0</u>	<u>\$0</u>	<u>\$720,000</u>

<b>ESTIMATED NET EFFECT ON    HISTORIC PRESERVATION    REVOLVING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$720,000</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
	(10 Mo.)		
	<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 proposal would extend the current allocation of tax revenues from the nonresident entertainer and athlete tax until December 31, 2019.

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 the State Treasurer  
Office of Administration  
    Office of the Commissioner  
        Division of Budget and Planning  
Department of Economic Development  
    Missouri Arts Council  
Department of Natural Resources  
Department of Revenue

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