

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0302-05  
Bill No.: Perfected SS for SCS for SB 15  
Subject: Revenue Department; Taxation and Revenue - General; Taxation and Revenue - Sales and Use  
Type: Original  
Date: February 4, 2015

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Bill Summary: This proposal would create the Study Commission on State Tax Policy.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	(\$27,243)	(\$27,243)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$27,243)</b>	<b>(\$27,243)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 136.450, RSMo. - Study Commission on State Tax Policy:

Officials from the **Office of Administration - Office of the Commissioner (OA)** noted this provision would create a Commission on State Tax Policy. The commission would be composed of the sitting members of the Joint Committee on Tax Policy, the Director of the Department of Revenue, and the State Budget Director, as well as members of the public who have expertise in the field of taxation.

OA officials noted their organization may be required to provide staff support to the commission, and members who are not state employees would be reimbursed for any expenses incurred in serving on the commission. OA officials also assumed ten non-state employees would be reimbursed for their costs to attend 27 commission meetings.

OA officials provided the following estimate of cost for the commission.

Lodging - (\$83 average cost x 10 members x 27 meetings) =	\$22,410
Meals - (Average \$30 per day x 10 members x 27 meetings) =	\$8,100
Mileage - (Average 240 miles round trip x 10 members x 27 meetings x \$0.37 per mile) =	<u>\$23,976</u>
Total	<u>\$54,486</u>

The OA response for this provision included costs for members travel, lodging, and meals of \$45,405 for FY 2016, \$55,848 for FY 2017, and \$57,245 for FY 2018.

**Oversight** notes this provision does not include a specific date for the commission to be activated; however, the proposal would require the commission to prepare a preliminary report for the Governor and General Assembly by December 31, 2016 (FY 2017) and a final report by December 31, 2017 (FY 2018). The commission would be inactive after January 1, 2018, and the provision would expire August 31, 2018.

Accordingly, Oversight will include costs for the commission in FY 2017 and FY 2018. If the OA estimated total costs are split evenly between FY 2017 and FY 2018, OA would make payments of  $(\$54,486 / 2) = \$27,243$  per year.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State**, the **Office of the State Treasurer**, the **Joint Committee on Administrative Rules**, the **Office of Administration - Division of Budget and Planning**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Although officials from the **Office of the Governor**, the **Office of the Lieutenant Governor**, and the **Missouri Senate** did not respond to this proposal due to time limitations, officials from these organizations assumed a previous version of this proposal would have no fiscal impact on their organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Office of Administration</u>			
Study Commission on State Tax Policy			
Section 136.450	<u>\$0</u>	<u>(\$27,243)</u>	<u>(\$27,243)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$27,243)</u></b>	<b><u>(\$27,243)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

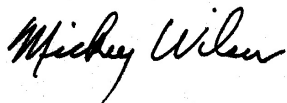
### FISCAL DESCRIPTION

This proposal would create the Study Commission on State Tax Policy composed of the sitting members of the Joint Committee on Tax Policy, the Director of the Department of Revenue and the State Budget Director, as well as members of the public who have expertise in the field of taxation. The commission would be tasked with examining the state of Missouri's tax system to identify strengths and weaknesses, and to provide recommendations for improvement. The commission would be required to cease its activities by January 1, 2018.

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 Governor  
Office of the Lieutenant Governor  
Office of the Secretary of State  
Office of the State Treasurer  
Missouri Senate  
Joint Committee on Administrative Rules  
Office of Administration  
    Office of the Commissioner  
    Division of Budget and Planning  
Department of Revenue



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February 4, 2015

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