

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0468-01  
Bill No.: SB 32  
Subject: Manufactured Housing; Taxation and Revenue - Sales and Use  
Type: Original  
Date: January 14, 2015

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Bill Summary: This proposal would create a sales and use tax exemption for used manufactured homes.

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE 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>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

Officials from the **Department of Conservation (MDC)** assume this proposal would have an unknown negative fiscal impact to their organization, but greater than \$100,000. MDC officials stated Conservation Sales Tax funds are derived from a one-eighth of one percent sales and use tax pursuant to the Missouri Constitution. Exempting the sale of used manufactured homes from sales tax would reduce sales tax revenue to the Conservation Sales Tax funds.

MDC officials deferred to the Department of Revenue for an estimate of the anticipated fiscal impact for this proposal.

Officials from the **Department of Natural Resources (DNR)** noted this proposal would create a sales and use tax exemption for used manufactured homes, and stated the Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to the Missouri Constitution. Therefore, any additional sales and use tax exemption would reduce the funding available in the Parks and Soils Sales Tax Funds.

DNR officials deferred to the Department of Revenue and Office of Administration - Division of Budget and Planning for a more detailed account of the fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** stated this proposal would not have a fiscal impact to the state because it is their current administrative practice to not collect sales tax on used mobile homes.

DOR officials provided a response to this proposal which indicated no impact to state or local government funds and no administrative impact to their organization; however, the DOR response included an estimate of the IT cost to implement this proposal of \$19,440 for 259 hours of contractor programming at \$75 per hour to make changes to DOR systems. DOR officials stated their organization is currently using a manual process to void the sales tax due generated by the current motor vehicle system and that the IT cost in the response was for the estimated programming to eliminate the automatic assessment of sales tax on mobile home titles issued by the DOR system. The \$75 per hour rate is due to the OA-ITSD assumption that no employees will be available for projects to implement new legislation and contractors would be needed.

ASSUMPTION (continued)

**Oversight** will assume for fiscal note purposes only, that OA-ITSD (DOR) employees could implement this proposal and OA - ITSD could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD could request funding through the budget process.

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

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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.

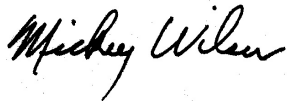
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Conservation  
Department of Natural Resources  
Department of Revenue



Mickey Wilson, CPA  
Director  
January 14, 2015

Ross Strobe  
Assistant Director  
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