

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0805-01
Bill No.: SB 190
Subject: Kansas City; Taxation and Revenue - Sales and Use; Transportation
Type: Original
Date: February 17, 2015

Bill Summary: This proposal would extend the expiration of the Kansas City transportation sales tax to 2020.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government *	\$0	\$0	\$0

* Net of additional revenues and expenditures.

FISCAL ANALYSIS

ASSUMPTION

This proposal would extend the expiration of a portion of the Kansas City Area Transportation Sales Tax from December 31, 2015 to December 31, 2020.

Officials from the **City of Kansas City** stated this proposal would maintain transportation sales tax revenues of \$12,166,167 for January 1, 2016 to April 30, 2016, and \$36,500,000 per year for FY 2017 and FY 2018.

Oversight has no independent information regarding transportation sales tax revenues and will assume for fiscal note purposes the City of Kansas City response is the best available estimate of the impact of this proposal.

Oversight notes that current provisions would let a portion of the sales tax expire on December 31, 2016 (FY 2016) and the proposal would extend the sales tax until December 31, 2020. If the sales tax expired, the revenue reduction for the City of Kansas City from January 1, 2016 to June 30, 2016 (FY 2016) would be $(\$36,500,000 \times 6/12) = \$18,250,000$ (disregarding reporting and distribution delays), and the fiscal impact of this proposal for FY 2017 and FY 2018 would be \$36,500,000 per year. Oversight will include these amounts in this fiscal note.

For simplicity, **Oversight** will not include any impact for the Department of Revenue's collection costs. Oversight will also assume that all or substantially all of the sales tax revenues would be expended on transportation costs and will so indicate in this fiscal note.

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

ASSUMPTION (continued)

Not responding:

Officials from Jackson County, Belton, Excelsior Springs, Gladstone, Grandview, Harrisonville, Independence, the Kansas City Area Transit Authority, the Kansas City Board of Elections, Kearney, Lees Summit, Liberty, Peculiar, Raytown, Sugar Creek, Cass County Elections, Clay County, the Clay County Board of Election Commissioners, the Jackson County Election Board, the Jackson County Executive, Platte County, and the Platte County Board of Elections did not respond to our request for fiscal information.

<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
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LOCAL GOVERNMENTS

<u>Additional revenue</u> - City of Kansas City Sales tax	\$18,250,000	\$36,500,000	\$36,500,000
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<u>Additional expenditures</u> - City of Kansas City Transportation	<u>(\$18,250,000)</u>	<u>(\$36,500,000)</u>	<u>(\$36,500,000)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</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.

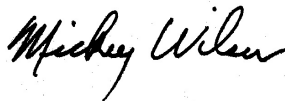
FISCAL DESCRIPTION

The proposed legislation 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 Revenue
City of Kansas City
Platte County Board of Elections



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Director
February 17, 2015

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February 17, 2015