

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1334-01
Bill No.: SB 311
Subject: Taxation and Revenue - Property
Type: Original
Date: March 8, 2017

Bill Summary: This proposal would allow the assessed valuation of any tractor or trailer used in interjurisdictional commerce to be apportioned to Missouri based on the average per vehicle distance chart provided under the International Registration Plan.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Blind Pension	\$0	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on Other State Funds	\$0	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (B&P)** stated this proposal would attempt to clarify to the counties how interjurisdictional commerce tractor/trailers should be assessed. If this proposal results in additional property taxes, the amount going to the Blind Pension Fund could increase, thus increasing Total State Revenues and possibly impacting the revenue limit calculation required by the state constitution. If the proposal results in lower property taxes, the amount going to the Blind Pension Fund and ultimately Total State Revenues could be reduced thus impacting the constitutional revenue limit calculation. B&P officials deferred to the Department of Transportation for any more specific fiscal impact information.

Officials from the **State Tax Commission (TAX)** assume this proposal would have no fiscal impact on their organization. TAX officials advised us that under the current assessment process, trucking enterprises are taxed upon their most used base as defined in Section 137.095.2, RSMo. and the allocation to be taxed in Missouri is determined using a ratio of Missouri miles to total miles.

Officials from the **Department of Transportation** assume this proposal would have no fiscal impact to their organization.

Officials from the **Forsyth R-III Schools** and the **Kirksville School District** assume this proposal would have a positive fiscal impact on their organizations.

Officials from the **West Plains School District** stated they were not able to estimate the impact of this proposal on their organization.

Officials from the **Office of the Secretary of State**, the **Joint Committee on Administrative Rules**, the **Department of Economic Development**, the **Department of Revenue**, **Callaway County**, the **Jackson County Election Board**, the **Plate County Board of Elections**, and the **St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

ASSUMPTION (continued)

Oversight has no way to determine whether this proposal would increase or reduce assessed valuations and property tax revenues and will indicate a fiscal impact from unknown positive to unknown negative in this fiscal note, for local governments and the Blind Pension Fund. Oversight notes this proposal would be effective beginning with 2018 assessments, which would affect 2018 property taxes paid in December 2018 (FY 2019).

	FY 2018	FY 2019	FY 2020
<u>FISCAL IMPACT - State Government</u>	(10 Mo.)		

BLIND PENSION FUND

Additional revenue/Revenue reduction
 Change in assessment method for
 trucking enterprises

\$0	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 BLIND PENSION FUND**

<u>\$0</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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	FY 2018	FY 2019	FY 2020
<u>FISCAL IMPACT - Local Government</u>	(10 Mo.)		

LOCAL GOVERNMENTS

Additional revenue/Revenue reduction
 Change in assessment method for
 trucking enterprises

\$0	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 LOCAL GOVERNMENTS**

<u>\$0</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which own or operate qualified equipment.

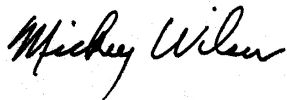
FISCAL DESCRIPTION

The proposed legislation would allow the assessed valuation of any tractor or trailer used in interjurisdictional commerce to be apportioned to Missouri based on the average per vehicle distance chart provided under the International Registration Plan.

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 Revenue
State Tax Commission
Department of Transportation
Callaway County
Forsyth R-III Schools
Kirksville School District
West Plains School District
Jackson County Election Board
Plate County Board of Elections
St. Louis County Directors of Elections



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