COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3497-07
Bill No.: HCS for SS for SCS for SB 570
Subject: Taxation and Revenue - General; Taxation and Revenue - Sales and Use
Type: Original
Date: May 6, 2020

Bill Summary: This proposal changes the law regarding taxation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue* **	Up to ($281,035,069)	Less than or greater than ($79,157,970)	Less than or greater than ($79,152,272)	Less than or greater than ($79,327,570)
Total Estimated Net Effect on General Revenue	**Up to ($281,035,069)**	**Less than or greater than ($79,157,970)**	**Less than or greater than ($79,152,272)**	**Less than or greater than ($79,327,570)**

* A portion of this impact (($1,500,000) to ($6,000,000) each year) is the continuation (extending the sunset from 6/30/2020 to 6/30/2026) of an existing tax credit program (Wood Energy - §135.305).

** Oversight does not project the positive (indirect) fiscal impact from the numerous new and/or expanded tax credit programs in this proposal.

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 72 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Capitol Complex Fund	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000
TIME Zone Fund	$0	$0	$0	$0
Port Authority AIM Zone Fund	$0	$0	$0	$0
Total Estimated Net Effect on Other State Funds	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue	3 - 4 FTE	3 - 4 FTE	3 - 4 FTE	3 - 4 FTE
Capitol Complex Fund	0 - 1 FTE	0 - 1 FTE	0 - 1 FTE	0 - 1 FTE
Total Estimated Net Effect on FTE	**3 - 5 FTE**	**3 - 5 FTE**	**3 - 5 FTE**	**3 - 5 FTE**

☒ 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 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Local Political Subdivisions	Could exceed ($2,417,979)	Up to $8,571,913	Up to $8,479,075	Up to $8,668,617
Local Education Agencies	$0 or up to $400,000	$0 to could exceed $2,493,973	$0 to could exceed $2,493,973	$0 to could exceed $2,493,973
Local Government	**$0 or could exceed ($2,017,979)**	**$0 or could exceed $11,065,886**	**$0 or could exceed $10,973,048**	**$0 or could exceed $11,162,590**

FISCAL ANALYSIS

Due to time constraints, Oversight was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

ASSUMPTION (continued)

Section 53.010 - St. Louis City Assessor

Oversight notes this proposed section would require that the Assessor of any city not within a county (St. Louis City - St. Louis Assessor) be elected.

Officials from the **Office of Administration - Budget & Planning Divisions (B&P)** state this section would require that the St. Louis City Assessor be elected. This section will not have a direct impact to Total State Revenue (TSR) or the calculation under Article X, Section 18(e).

Officials from the **Missouri Department of Revenue (DOR)** state this section will not have a fiscal impact on DOR.

Oversight notes **B&P** and **DOR** has stated the proposed section would not result in a fiscal impact. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note as it relates to this section.

Section 67.1011 - City of Butler - Transient Guest Tax

Oversight note this section would permit the City of Butler to impose a transient guest tax provided the governing body of the city submits to the voters of the city at an election a question to authorize the city to impose such tax. Such tax shall not exceed six percent (6%) per occupied room per night.

Officials from **B&P** state this section would allow the City of Butler to levy a transient guest tax. B&P was unable to obtain data regarding occupancy rates and room sales, consequently B&P cannot calculate an estimate. This section will not impact TSR or the calculation under Article X, Section 18(e).

Officials from **DOR** state this provision allows the City of Butler to establish a transient guest tax. This does NOT have an impact on DOR as transient guest taxes are collected by the local political subdivision and not DOR.

Oversight is unable to determine how many sleeping rooms are located in the City of Butler, the average cost of such rooms, and the average occupancy rate. Therefore, for purposes of this fiscal note, Oversight will report a fiscal impact ranging from $0 (voters reject the proposal or the governing body does not put forth the proposal) to "Unknown" beginning in Fiscal Year 2021 as it relates to this section.

ASSUMPTION (continued)

Oversight also notes this section should not impact GR, as transient guest taxes are collected by the local political subdivision (unless a mutual agreement is permitted per law and mutually agreed upon between the political subdivision and DOR).

Oversight notes this section permits the City of Butler to put forth the proposal for a transient guest tax to its respective voters at "an election." Oversight, for purposes of this fiscal note, will assume the City of Butler could propose this tax at the General Municipal Election on April 6, 2021. Furthermore, this section states such tax shall become effective on the first day of the second calendar quarter following the calendar quarter in which the election was held. Therefore, if the City of Butler were to put the proposal on the April 6, 2021 ballot, Oversight assumes this tax would become effective October 1, 2021. This permits 9 months of collection in Fiscal Year 2022.

For purposes of this fiscal note, **Oversight** will report the positive fiscal impact to local political subdivisions (City of Butler) ranging from $0 (voters reject the proposal or the proposal is not put forth to voters) to "Unknown" beginning in Fiscal Year 2022.

Section 67.990 & 67.993 - St. Louis City Senior Citizens' Services Fund

Oversight notes this section allows the Board of Directors from the St. Louis Senior Citizen's Service Fund to solicit, accept and expand grants from private or public entities and enter into agreements to effectuate such grants so long as the use is in the best interest and exclusively for the program provided by the board.

Officials from **B&P** state there is no TSR or Article X, Section 18(e) impact for this section.

Officials from **DOR** state these provisions would not have a fiscal impact on DOR.

In response to similar legislation (HB 1560 - 2020), officials from the **Department of Health and Senior Services** and the **Department of Social Services** each assume no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1560 - 2020), officials from the **City of St. Louis** assume no fiscal impact from this proposal. The City's Department of Human Services does not incur any administrative costs related to the Senior Citizens' Services Fund.

ASSUMPTION (continued)

Oversight notes per the St. Louis City Mayor's Office, the City of St. Louis Senior Citizens' Services Fund was established with the passage of Proposition S in November 2016 and was expected to generate about $2 million annually from a voter-approved property tax. The Fund will support needed services that allow older adults basic assistance to be able to age in place in their own homes, including nutrition, transportation, home repair and home modifications. The City of St. Louis joins 54 other counties in the State of Missouri that have implemented a Senior Services Fund. The funds will be generated by a property tax of 5 cents on every $100 assessed value.

For purposes of this fiscal note, **Oversight** will report a zero fiscal impact as it relates to this section.

Section 68.075 - AIM Zones

In response to similar legislation (SB 636 - 2020), officials from the **Missouri Department of Economic Development (DED)** stated this proposed legislation would extend the authorization of the Advanced Industrial Manufacturing Zones Act (AIM Zones) from 2023 to 2030.

The proposed legislation amends the sunset date of the AIM Zones Act which will have an economic impact. This proposed legislation allows for the extension of the AIM Zone Program. This proposed legislation may encourage economic activity through an increase in projects in AIM zones, however, DED cannot estimate the increase or decrease to Total State Revenue because there have been no issuances to date.

Oversight notes DED anticipates this proposed legislation would have a fiscal impact but cannot quantify the impact at the current time as no issuances have occurred to date. Oversight assumes the issuances mentioned by DED to be issuances to the port authorities, who would identify and establish AIM zones, from the Port Authority AIM Zone Fund.

Oversight notes the Port Authority AIM Zone Fund receives revenue derived from fifty percent (50%) of the state tax withholdings imposed by Section(s) 143.191 to 143.265 on new jobs within an AIM zone after development or redevelopment has commenced. Oversight notes the state withholdings imposed on new jobs within an AIM zone is not remitted to General Revenue (GR), rather the tax revenue is deposited into the Port Authority AIM Zone Fund. In addition, the Port Authority AIM Zone Fund may receive appropriations from the General Assembly to be used for the administration of this act/program which is limited to no more than ten percent (10%) of the total amount deposited from withholding taxes on new jobs within an AIM zone.

ASSUMPTION (continued)

Officials from **B&P** state this section would not impact TSR or Article X, Section 18(e).

Officials from **DOR** state this section extends the AIM Zone tax credit sunset date. This provision would not impact DOR.

In response to similar legislation (SB 636 - 2020), officials from **St. Louis County (the County)** stated the County anticipates no significant fiscal impact to the County's operations as a result of this proposed legislation.

In response to similar legislation (SB 636 - 2020), officials from the **City of Columbia** and the **City of Springfield** stated the proposed section would not have a direct fiscal impact on their respective cities.

Oversight will, for purposes of this fiscal note, report a fiscal impact of $0 or (Unknown) impact to GR beginning in Fiscal Year 2024 as a result of the unknown amount of state withholding taxes that could be remitted into the Port Authority AIM Zone Fund in lieu of GR. Oversight notes the negative $0 or (Unknown) impact can be extended to the sunset date of August 28, 2030.

Oversight will report the transfer in to the Port Authority AIM Zone Fund equal to $0 or Unknown beginning Fiscal Year 2024 and will report the transfer out of the Port Authority AIM Zone Fund equal to $0 or (Unknown) resulting in a net zero fiscal impact.

Oversight will further report a $0 or Unknown impact to Local Political Subdivisions (Port Authorities/AIM Zones) beginning in Fiscal Year 2024 as a result of the unknown amount of revenue the entities could receive from state withholding tax disbursed to such entity from the Port Authority AIM Zone Fund. Oversight notes the $0 or Unknown impact can be extended to the sunset date of August 28, 2030.

Section 94.842 - City of Springfield - Transient Guest Tax

Oversight notes this proposed legislation would allow the City of Springfield, if approved by the City's voters, at a state general, primary or special election, to impose a tax on the charges for all sleeping rooms paid by transient guests of hotels or motels located in the City equal to a rate not to exceed seven and one-half percent (7.5%). Oversight further notes the tax revenues generated would be designated solely for capital investments that can be demonstrated to increase the number of overnight visitors in the City.

ASSUMPTION (continued)

This section would permit, upon mutual agreement between the City of Springfield and DOR, DOR to collect the transient guest tax on behalf of the City of Springfield.

Officials from **B&P** state this proposed section allows voters in the City of Springfield (the City) to impose a transient guest tax up to 7.5% for the purpose of funding capital investments that can be demonstrated to increase the number of overnight visitors.

B&P's analysis assumed that an agreement is entered into by the City and the Director of Revenue for DOR to collect the tax on behalf of the City.

Based upon the City of Springfield's estimated Calendar Year 2019 $117.0 million of taxable room sales, Budget & Planning estimates that a 0.75% tax will generate $8.8 million in collections. Since the bill indicates that this sales tax would take effect starting April 1, only Q4 of Fiscal Year 2021 sales collections would be impacted. This results in the proposed sales tax generating approximately $2.2 million for the city in Fiscal Year 2021. As a voter-approved tax, the collected revenues will not impact general and total state revenues; however, DOR will retain 1% to offset collection costs. Therefore, this portion could increase general and total state revenues by approximately $22,000 in Fiscal Year 2021.

Officials from **DOR** state this provision allows the City of Springfield to establish a transient guest tax and allows them to contract with DOR to collect the tax on their behalf. This does NOT have an impact on DOR as transient guest taxes are collected by the local political subdivision and not DOR. Should the City want to enter into an agreement for DOR to collect this tax, DOR would be allowed to retain 1% to cover any administrative costs.

In response to similar legislation (SCS for HB 1700 - 2020), officials from the **City of Springfield (City)** stated there is a positive impact to the City. The City assumes, if voters approved the tax increase, the positive impact is likely to be more than $2,500,000 per year.

Oversight notes this section permits the City of Springfield to put forth the proposal for a transient guest tax to its respective voters at a state general, primary or special election. Oversight, for purposes of this fiscal note, will assume the City of Springfield could propose this tax at the General Municipal Election on April 6, 2021. Furthermore, this section states such tax shall become effective on the first day of the calendar quarter following the calendar quarter in which the election was held. Therefore, if the City of Springfield were to put the proposal on the April 6, 2021 ballot, Oversight assumes this tax would become effective July 1, 2021. This permits the collection for all of Fiscal Year 2022.

ASSUMPTION (continued)

Oversight will report the fiscal impact to local political subdivisions (Springfield) ranging from $0 (voters reject the proposal or the governing body does not put forth the proposal) up to $8,800,000 beginning in Fiscal Year 2022, as estimated by B&P, increased annually assuming a growth rate of two percent (2%).

Furthermore, **Oversight** will report the fiscal impact to GR (DOR 1% collection fee) ranging from $0 (voters reject the proposal or the governing body does not put forth the proposal) up to $88,000 in Fiscal Year 2022, as estimated by B&P, increased annually assuming a growth rate of two percent (2%) [growth rate is calculated automatically when multiplying the growth of the transient sales tax by one percent (1%)].

Section 94.900 & 94.902 - Cities of Hallsville, Kearney, Smithville, Branson West, Clinton, Cole Camp, Lincoln and Claycomo - Public Safety Sales Tax

Officials from **B&P** state Section 94.900 allows the cities of Branson West in Stone County, Kearney, and Smithville in Clay County, and Hallsville in Boone County to impose a public safety sales tax of 0.5%. The impact of this is shown in the chart below for the DOR collections fees and sales tax collections each city may generate based the tax rate.

Section 94.902 allows the cities of Clinton in Henry County, Cole Camp, and Lincoln in Benton County, and the Village of Claycomo in Clay County to impose a public safety sales tax of 0.5%. The impact of this is shown in the chart below for the DOR collections fees and sales tax collections each city may generate based the tax rate.

0.50%	**DOR Collections**				**Sales Tax Collections Data**		
City	**FY 2021**	**FY 2022**	**FY 2023**		**FY 2021**	**FY 2022**	**FY 2023**
Clinton	2,269	9,078	9,078		224,678	898,712	898,712
Cole Camp	186	745	745		18,444	73,776	73,776
Lincoln	115	461	461		11,398	45,591	45,591
Claycomo	313	1,252	1,252		30,992	123,968	123,968
0.50%	**DOR Collections**				**Sales Tax Collections Data**		
Hallsville	112	447	447		11,069	44,275	44,275
Kearney	1,645	6,578	6,578		162,811	651,244	651,244
Smithville	1,056	4,225	4,225		104,560	418,239	418,239
Branson West	1,231	4,923	4,923		121,835	487,338	487,338
	6,927	**27,709**	**27,709**		**685,787**	**2,743,143**	**2,743,143**

ASSUMPTION (continued)

Since the bill indicates that this sales tax would take effect starting April 1, only Q4 of Fiscal Year 2021 sales collections would be impacted with the full year collection amounts generated in Fiscal Year 2022 and Fiscal Year 2023.

As a voter-approved tax, the collected revenues will not impact general and total state revenues; however, DOR will retain 1% to offset collection costs. Therefore, this portion could increase general and total state revenues by the DOR fee amounts shown in the charts above.

Officials from **DOR** state this proposal would allow the City of Branson West to authorize and impose up to one-half of one percent, and shall be imposed solely for the purpose of improving the public safety. Using taxable sales report data for the City of Branson West, DOR estimates the impact as follows:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015					0
2016	18,901,040	25,156,599	26,716,172	23,132,889	93,906,700
2017	18,850,783	25,742,289	26,723,871	22,779,379	94,096,322
2018	19,229,746	26,277,102	27,300,134	24,081,341	96,888,323
2019	19,962,599	27,108,143			

Once converted to Fiscal Years and using a 2% inflation rate, DOR took the taxable sales times the proposed tax rate of one-half of one percent to determine the total amount of the sales tax collected. DOR notes that this proposal allows DOR to retain 1% that is deposited into General Revenue for expenses for collection of this tax.

Fiscal Year	Total Collection	DOR 1% Fee	Final Collection
2016			
2017			
2018			
2019			
2020	$494,243	$4,942	$489,301
2021	$504,127	$5,041	$499,086
2022	$514,210	$5,142	$509,068
2023	$524,494	$5,245	$519,249
2024	$534,984	$5,350	$529,634

ASSUMPTION (continued)

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

Fiscal Year	DOR Collection Fee	Branson West Sales Tax Amount
2021	$0	$0
2022	$3,857	$381,801
2023	$5,245	$519,249

This proposal would allow the City of Kearney to authorize and impose up to one-half of one percent, and shall be imposed solely for the purpose of improving the public safety. Using taxable sales report data for the City of Kearney, DOR estimates the impact as follows:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	27,519,194	30,433,910	30,585,656	30,499,212	119,037,972
2016	29,649,506	32,472,290	32,177,705	31,615,729	125,915,230
2017	30,965,917	33,837,063	33,228,851	31,556,051	129,587,882
2018	31,091,023	34,389,327	33,602,628	32,563,846	131,646,824
2019	30,832,259	34,565,728			

Once converted to Fiscal Years and using a 2% inflation rate, DOR took the taxable sales times the proposed tax rate of one-half of one percent to determine the total amount of the sales tax collected. DOR notes that this proposal allows DOR to retain 1% that is deposited into General Revenue for expenses for collection of this tax.

Fiscal Year	Total	Total Collection	DOR 1% Fee	Final Collection
2016	$123,206,664			
2017	$128,596,414			
2018	$130,265,252			
2019	$132,870,557			
2020	$135,527,968	$677,640	$6,776	$670,863
2021	$138,238,528	$691,193	$6,912	$684,281
2022	$141,003,298	$705,016	$7,050	$697,966
2023	$143,823,364	$719,117	$7,191	$711,926
2024	$146,699,831	$733,499	$7,335	$726,164

ASSUMPTION (continued)

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

Fiscal Year	DOR Collection Fee	Kearney Sales Tax Amount
2021	$0	$0
2022	$5,288	$523,475
2023	$7,191	$711,926

This proposal would allow the City of Smithville to authorize and impose up to one-half of one percent, and shall be imposed solely for the purpose of improving the public safety. Using taxable sales report data for the City of Smithville, DOR estimates the impact as follows:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	18,324,168	21,003,657	20,543,911	18,606,705	78,478,441
2016	18,563,002	21,339,111	21,767,674	19,455,853	81,125,640
2017	18,671,654	22,070,560	21,628,460	19,691,818	82,062,492
2018	19,056,529	22,849,004	22,213,205	20,463,774	84,582,512
2019	18,956,527	22,859,235			

Once converted to Fiscal Years and using a 2% inflation rate, DOR took the taxable sales times the proposed tax rate of one-half of one percent to determine the total amount of the sales tax collected. DOR notes that this proposal allows DOR to retain 1% that is deposited into General Revenue for expenses for collection of this tax.

Fiscal Year	Total	Total Collection	DOR 1% Fee	Final Collection
2016	$79,052,729			
2017	$81,965,741			
2018	$83,225,811			
2019	$84,890,327			
2020	$86,588,134	$432,941	$4,329	$428,611
2021	$88,319,896	$441,599	$4,416	$437,183
2022	$90,086,294	$450,431	$4,504	$445,927
2023	$91,888,020	$459,440	$4,594	$454,846
2024	$93,725,780	$468,629	$4,686	$463,943

ASSUMPTION (continued)

Fiscal Year	DOR Collection	Smithville Collection Amount
2021	$0	$0
2022	$3,378	$334,445
2023	$4,594	$454,846

This proposal would allow the City of Hallsville to authorize and impose up to one-half of one percent, and shall be imposed solely for the purpose of improving the public safety starting with the November 2022 election. Using taxable sales report data for the City of Hallsville, DOR estimates the impact as follows:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	2,120,442	2,206,788	2,374,865	2,281,633	8,983,728
2016	2,209,520	2,277,424	2,389,793	2,287,573	9,164,310
2017	2,283,198	2,479,424	2,423,003	2,283,876	9,469,500
2018	2,305,757	2,424,249	2,156,592	2,249,081	9,135,679
2019	2,272,117	2,266,564			

Once converted to Fiscal Years and using a 2% inflation rate, DOR took the taxable sales times the proposed tax rate of one-half of one percent to determine the total amount of the sales tax collected. DOR notes that this proposal allows DOR to retain 1% that is deposited into General Revenue for expenses for collection of this tax.

Fiscal Year	Total	Total Collection	DOR 1% Fee	Final Collection
2016	$9,143,442			
2017	$9,439,988			
2018	$9,436,885			
2019	$9,625,623			
2020	$9,818,135	$49,091	$491	$48,600
2021	$10,014,498	$50,072	$501	$49,572
2022	$10,214,788	$51,074	$511	$50,563
2023	$10,419,084	$52,095	$521	$51,574
2024	$10,627,466	$53,137	$531	$52,606

ASSUMPTION (continued)

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in FY 2021. This sales tax would begin October 1, 2021 (FY 2022) if adopted by the voters. Therefore the impact in FY 2022 would be for 9 months.

Fiscal Year	DOR Fee	Hallsville Collection
2021	$0	$0
2022	$383	$37,922
2023	$521	$51,574

Furthermore, DOR states this proposal would allow any city of the third classification with more than nine thousand but fewer than ten thousand inhabitants and located in any county of the third classification with a township form of government and with more than twenty thousand but fewer than twenty-three thousand inhabitants to implement a sales tax for public safety. DOR believes the only City to qualify under this description is the City of Clinton.

Additionally, this proposal would allow any city of the fourth classification with more than one thousand fifty but fewer than one thousand two hundred inhabitants and located in any county of the third classification without a township form of government and with more than eighteen thousand but fewer than twenty thousand inhabitants and with a city of the fourth classification with more than two thousand one hundred but fewer than two thousand four hundred inhabitants as the county seat to also implement a sales tax for public safety. DOR believes this would apply to the City of Lincoln and the City of Cole Camp.

The sales tax may be imposed in an amount of up to one-fourth, one-half, three-fourths, or one percent. The tax shall be imposed solely for the purpose of improving the public safety.

DOR shows that the City of Clinton has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	40,147,895	44,618,974	44,443,717	44,037,435	173,248,021
2016	41,389,150	45,465,065	45,533,177	44,893,260	177,280,652
2017	40,038,915	47,066,194	45,477,582	43,884,475	176,467,166
2018	40,961,939	47,940,212	46,462,280	46,505,858	181,870,289
2019	41,173,575	47,416,316			

ASSUMPTION (continued)

Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount DOR would collect and the City of Clinton would collect as:

Fiscal Year	DOR 1% Fee	Clinton City Collection
2021	$0	$0
2022	$7,236	$716,360
2023	$9,841	$974,250

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

DOR shows that the City of Lincoln has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	2,124,060	2,412,496	2,368,178	2,014,074	8,918,808
2016	2,138,130	2,369,529	2,437,892	2,142,464	9,088,015
2017	2,177,513	2,602,875	2,547,296	2,120,049	9,447,733
2018	2,444,106	2,542,249	2,617,362	2,318,717	9,922,434
2019	2,030,154	2,244,162			

Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount DOR would collect and the City of Lincoln would collect as:

Fiscal Year	DOR 1% Fee	Lincoln City Collection
2021	$0	$0
2022	392	38,794
2023	533	52,759

ASSUMPTION (continued)

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

DOR shows that the City of Cole Camp has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	3,229,113	3,002,081	3,402,238	3,196,016	12,829,447
2016	3,095,340	3,003,988	3,225,042	3,279,187	12,603,558
2017	3,081,084	2,956,959	3,249,944	3,360,607	12,623,994
2018	3,278,248	3,220,758	3,474,064	4,684,461	14,657,531
2019	3,243,595	3,502,112			

Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount DOR would collect and the City of Cole Camp would collect as:

Fiscal Year	DOR 1% Fee	Cole Camp City Collection
2021	$0	$0
2022	$532	$52,681
2023	$724	$71,646

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

DOR assumes this proposal would allow the Village of Claycomo to authorize and impose up to one-half of one percent, and shall be imposed solely for the purpose of improving the public safety. Using taxable sales report data for the Village of Claycomo, DOR estimates the impact as follows:

Village of Claycomo Taxable Sales by Calendar Year:

ASSUMPTION (continued)

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2015	5,987,942	5,945,109	5,798,774	6,032,010	$23,763,736
2016	6,312,917	6,245,000	6,027,650	5,480,769	$24,066,236
2017	5,349,230	5,570,093	5,149,850	4,944,736	$21,013,909
2018	5,150,294	5,761,090	5,959,771	6,450,921	$23,322,075
2019	6,300,774	6,332,614	0	0	$12,633,388

Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount DOR would collect and the Village of Claycomo would collect as:

Fiscal Year	DOR Fee	Claycomo Collection
2021	$0	$0
2022	$284	$84,413
2023	$1,160	$114,802

DOR notes that this proposal would become effective on August 28, 2020 and the first election would be the April 6, 2021 election. Therefore this will not have a fiscal impact in Fiscal Year 2021. This sales tax would begin October 1, 2021 (Fiscal Year 2022) if adopted by the voters. Therefore the impact in Fiscal Year 2022 would be for 9 months.

In response to similar legislation (HB 1726 - 2020), officials from the **City of Smithville** estimated this proposed legislation could generate approximately $450,000 annually.

Officials from the **City of Hallsville (Hallsville)** state this section would allow Hallsville to ask its citizens for a one-half cent public safety sales tax. The new public safety sales tax would generated approximately $50,000 per year for the Police Department. If Hallsville's citizens were to vote with Hallsville's vision, Hallsville could increase the Police Department from three fule time officers to four full time officers, allowing 24/7 local protection and assistance.

For purposes of this fiscal note, **Oversight** will report a positive fiscal impact to local political subdivisions (Hallsville, Kearney, Smithville, Branson West, Clinton, Cole Camp, Lincoln and Claycomo) ranging from $0 (voters reject the proposal or the governing body does not put forth the proposal) up to $2,169,891 in Fiscal Year 2022 and $2,951,052 in Fiscal Year 2023 as estimated by DOR, increased by an assumed two percent (2%) annual growth rate each fiscal year thereafter.

ASSUMPTION (continued)

Furthermore, **Oversight** will report a positive fiscal impact to GR (DOR 1% collection fee) ranging from $0 (voters reject the proposal or the governing body does not put forth the proposal) up to $21,909 in Fiscal Year 2022 and $29,809 in Fiscal Year 2023 as estimated by DOR, increased by an assumed two percent (2%) annual growth rate each fiscal year thereafter.

Section 99.720 - Tax Credit for Purchase of Certain Properties

Officials from **DOR** state, starting August 28, 2020, this proposal would allow a tax credit in an amount equal to five thousand dollars ($5,000) for purchasing property that meets certain requirements. The taxpayer must be a first time home-buyer and have purchased the property within one year of receiving the credit and have an income below thresholds established in Section 32.105. The criteria for receiving the tax credit also includes the following about the property: it must have been vacant at least 6 months, be eligible for tax abatement by the City of St. Louis, and be blighted.

The Missouri Housing Development Commission has a program for first time home-buyers meeting certain low income thresholds and for people stepping up in home-ownership. The program provides loan guarantees. In Fiscal Year 2018 the Missouri Housing Development Commission provided secured loans to 1,915 people with an average mortgage of $121,013. The average down payment on these homes was $4,840.

DOR notes that not all of the 1,915 would have been eligible for this program given the fact that this proposal appears to only impact those purchasing homes in the St. Louis area. If only 25% of the people received the tax credit then the credit would cost $2,393,750 (1,915/4 * $5,000).

DOR assumes this could result in a loss to General Revenue of $2,393,750 to $9,575,000 (1,915 * $5,000).

DOR assumes this section will result in a minimal increase in tax credits redeemed and errors/correspondences generated. DOR anticipates being able to absorb this increase. If the increase is significant, DOR will request FTE through the appropriations process based on the following: one (1) FTE Revenue Processing Technician I for every 6,000 tax credits redeemed, one (1) FTE Revenue Processing Technician I for every 7,600 errors and correspondence generated and forms and programming changes.

Oversight notes DOR assumes a negative fiscal impact as a result of this proposed legislation.

Oversight assumes DOR can absorb the responsibilities of this proposed legislation with existing resources. However, should the number of redemptions, errors, and/or correspondence be significant, DOR may seek additional FTE through the appropriation process.

ASSUMPTION (continued)

In response to similar legislation (HB 1588 - 2020), officials from **B&P** stated this proposal creates a tax credit for first time purchasers of homes in a blighted area that will be owner-occupied.

This proposal could reduce General Revenue (GR) and Total State Revenues (TSR), and could impact the calculation under Article X, Section 18(e).

This proposal would create a $5,000 income tax credit for a qualified first-time home buyer who purchases a home in a designated blighted area; there is no aggregate cap on the amount of credits that may be issued annually. According to the Missouri Housing Development Commission, there were 1,915 borrowers that participated in the First Place Homebuyer Program in 2018, a program which provides assistance to similar home buyers through cash payments and reduced interest rates. B&P does not have an estimate of how many of these participants might have purchased homes in blighted areas. Therefore, B&P estimates this program could reduce GR and TSR up to $9,575,000 annually.

Data from the MO Realtors shows that there were 101,883 homes sold in Missouri during 2018. According to information from the National Association of Realtors, 33% of all home buyers were first-time home buyers. There is no way to determine how many of these homes might have been located in a blighted area, however an article from 2012 indicated that more than a third of Missouri is classified as blighted. Based on these numbers, B&P notes the potential participants could significantly exceed the 1,915 borrowers included in the estimate above.

Oversight notes B&P assumes this proposed legislation would result in a negative fiscal impact by an amount that could exceed $9,575,00 annually.

Oversight notes this proposed section would allow a first time home-buyer who enters into an agreement with the "authority" and has met the income requirements set forth in this proposed legislation and purchases a home that is: 1) eligible for a tax abatement certificate under Section 99.700, 2) has been vacant for at least six months, 3) considered blighted, 4) is uninhabitable or 5) has been issued property maintenance code violations and be likely to meet the definition of affordable housing unit as defined under Section 32.105 to be awarded a tax credit equal to $5,000 to be used to offset the taxpayer's tax liability imposed under Chapter 143.

The tax credit created under this proposed section shall not be refunded to the taxpayer, but may be carried back to any of the taxpayer's three prior tax years or carried forward for five subsequent tax years.

ASSUMPTION (continued)

Oversight notes, based on information published by Missouri Realtors', the total number of homes sold in 2017, 2018, and 2019 were:

Calendar Year	Number of Homes Sold
Calendar Year 2017	87,851
Calendar Year 2018	101,877
Calendar Year 2019	92,105

Oversight notes the three year average number of homes sold totals 93,944 homes each year.

Oversight further notes, based on data published by the National Association of Realtors, first-time home buyers make up approximately 32 percent of all home sales. Therefore, Oversight estimates that, of the (average) 93,944 homes sold each year, approximately 30,062 could have been purchased by first-time home buyers.

Per an article published by the Show-Me Institute, approximately 24,870 square miles, or one third, of Missouri has been declared "blighted."

If one third of the estimated number of homes purchased by first-time home buyers are located in "blighted" areas, Oversight estimates 10,021 purchases **may** qualify for this tax credit (30,062 * 1/3). If this assumption is accepted, Oversight estimates GR and TSR could be reduced by $50,103,644 annually (10,021 * $5,000).

Oversight is unable to determine: 1) how many first-time home buyers would meet the income requirements set forth in this proposed legislation, 2) the number of homes actually designated as blighted; 3) the number of homes that would qualify for a tax abatement certificate under Section 99.700, and how many of the homes have been vacant for six months. Therefore, Oversight assumes the estimated negative fiscal impact of $50,103,644 could be significantly less than or significantly greater than actual revenue reduction(s) recognized if this proposed legislation were enacted.

For purposes of this fiscal note, **Oversight** will report a negative fiscal impact ranging from $0 (no qualifying home purchases occur) to "Less than or greater than" the negative fiscal impact of $9,575,000, as provided and estimated by B&P.

Section 99.805, 99.810, 99.821, 99.843, 99.847 and 99.848 - Tax Increment Financing

Officials from **B&P** state these sections will not impact TSR and will not impact the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

Officials from **DOR** state these sections are administered by the Missouri Department of Economic Development. DOR defers to the Missouri Department of Economic Development for fiscal impact.

Officials from the **City of Kansas City (KC)** state these sections could have a negative fiscal impact on KC as a result of the limitations on areas where Tax Increment Financing projects can be implemented and may; therefore, impair KC's opportunities for economic growth. The actual amount of impact cannot be determined.

In response to similar legislation (SS for SCS for SB 570 - 2020), officials from the **Missouri Department of Economic Development, Divisions of: Business and Community Solutions** and **Missouri Development Finance Board** and the **Missouri Department of Public Safety - State Emergency Management Agency** each stated they do not anticipate a fiscal impact from this proposed legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Oversight notes this proposal changes the definition of "blighted area" and "conservation area." This proposed legislation would also change the requirements for retail areas and development allowances in flood plains for tax increment financing projects. Under this proposed legislation, potential tax increment financing project areas must first be studied by a party other than the proponent of the redevelopment plan.

Redevelopment plans approved or amended after December 31, 2020 by St. Louis City may provide for the deposit of up to ten percent (10%) of the tax increment financing revenues into a strategic infrastructure for economic growth fund instead of depositing such amounts into the special allocation fund. Oversight will reflect potential income into the new St. Louis City fund and an offsetting loss to their special allocation fund.

Oversight notes this proposed legislation would allow for redevelopment projects that are located in an area designated as a flood plain so long as the redevelopment projects are within one of the following political subdivisions: Jackson County, Jefferson County, City of Platte City, City of St. Joseph, City of Springfield, port district or levee/drainage district (so long as it was created prior to August 28, 2020). The allowances granted, and otherwise not granted, shall not apply to projects or districts approved prior to June 30, 2021.

ASSUMPTION (continued)

Oversight also notes this proposed legislation would allow for ambulance district boards, fire protection district boards, and any governing body operating a 911 center providing dispatch services who imposes a property tax for the purposes of providing emergency services to be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent but not more than one hundred percent of the districts or 911 center's tax increment. In addition, any ambulance district boards, fire protection districts or any governing body operating a 911 center imposing an economic activities tax for the purposes of providing emergency services shall be entitled to reimbursement from the special allocation fund.

Oversight will not show a fiscal impact of the changes to the tax increment financing laws. Oversight assumes the changes put forth may or may not impact future development projects; however, Oversight considers this to be an indirect impact of the proposed legislation.

Section 135.180 - Community Land Trusts Tax Credit

Officials from **B&P** state this section would create a tax credit for individuals who purchase homes from a qualified community land trust. For all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed to claim a tax credit in an amount up to such taxpayer's qualified amount, not to exceed $750.

B&P could find three community land trusts in Missouri that sell homes. In a 2019 paper, the Beyond Housing/24:1 Community Land Trust in St. Louis was reported to have 27 owner-occupied homes. If each homeowner was able to qualify for the credit, that would result in a loss of $20,250 to GR. The tax credit does not have an annual cap. While it would impact GR, it is by an unknown amount. If all three community land trusts have similar patterns, the loss to GR could be under $100,000.

Additionally, to the extent this proposal encourages other economic activity, General and Total State Revenue may increase, but B&P cannot estimate the induced revenues.

This proposal could impact the calculation pursuant to Article X, Section 18(e).

Officials from **DOR** stated this proposal, starting January 1, 2021, creates a tax credit up to $750 per taxpayer for each person for a property purchased from a qualified community land trust. This proposal does not allow the credit to be transferred, sold or assigned and does not allow the credit to be refunded. This proposal does not have a cap.

ASSUMPTION (continued)

With a January 1, 2021 start date, it is assumed that the first tax returns claiming this tax credit would not impact the state until January 2022 (Fiscal Year 2022).

DOR is unable to determine the number of taxpayers that may participate in this program and are unable to estimate any fiscal impact. DOR assumes it is possible that this program could annually exceed $100,000. DOR estimates the need for one (1) FTE Revenue Processing Technician I ($24,360 annual salaries, $21, 060 annual fringe benefits and $17,974 equipment and expense costs (first year - $1,500 each year thereafter).

Oversight notes, in response to similar legislation (HB 2716 - 2020), DOR stated DOR could absorb the additional costs and responsibilities related to this tax credit. For purposes of this fiscal note, Oversight assumes DOR can absorb the costs and responsibilities of this tax credit with existing resources. Should the tax credit prove to be significant, DOR may seek additional FTE through the appropriations process.

In response to similar legislation (HB 2716 - 2020), officials from the **Joint Committee on Administrative Rules (JCAR)** assumed this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to similar legislation (HB 2716 - 2020), officials from the **Office of the Secretary of State (SOS)** stated 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 SOS for Administrative Rules is less than $5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

For purpose of this fiscal note, **Oversight** will report a negative fiscal impact to GR equal to an amount "Up to $100,000" beginning in Fiscal Year 2022 and each year thereafter.

Section 135.305 - Wood Energy Tax Credit

Officials from **DOR** notes the Wood Energy Tax Credit has a $6 million annual cap that is subject to appropriations. The legislature appropriated $1 million in credits in Fiscal Year 2018 and Fiscal Year 2019. For Fiscal Year 2020 they appropriated $1.5 million. This credit does not currently allow authorization of additional credits after June 30, 2020. This proposal would extend the sunset on the credit until June 30, 2026.

DOR assumes no additional fiscal impact on DOR from the extension of the tax credit.

In response to similar legislation (SS for SB 704), officials from from **B&P** state this section would extend the Wood Energy Tax Credit from 2020 to 2026. B&P notes that since the program has not yet sunset, this section will not impact TSR or the calculation under Article X, Section 18(e).

Oversight's policy is to show the extension of the tax credit in the fiscal note. Oversight will show the revenue reduction (TSR and GR) for Fiscal Year(s), beginning in Fiscal Year 2021, as a continuation at the current appropriation level ($1,500,000) or up to the $6 million annual cap.

In response to similar legislation, (SB 674 - 2020) officials from the **Missouri Department of Natural Resources** has stated the proposed legislation would not have a direct fiscal impact on that organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization**.**

Oversight notes this proposed legislation extends the expiration date or end date for the Wood Energy Tax Credit authorized under Section 135.305 from June 30, 2020 to June 30, 2026. The issuance of the Wood Energy Tax Credit is subject to appropriation by the General Assembly and has a cap of $6 million for each fiscal year. Oversight notes the previous three fiscal year's appropriations for the Wood Energy Tax Credit were:

Fiscal Year 2020 - $1.5 million (HB 6)
Fiscal Year 2019 - $1.0 million (HB 2007)
Fiscal Year 2018 - $1.0 million (HB 7)

<u>ASSUMPTION</u> (continued)

Oversight notes, according to the Tax Credit Analysis submitted by the Department of Natural Resources regarding the Wood Energy Tax Credit program, the Wood Energy Tax Credit had the following activity:

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (full year) Est.	FY 2021 (budget year) Est.
Certificates Issued (#)	7	7	9	7	0
Projects (#)	7	7	9	7	0
Amount Authorized	$970,000	$970,000	$678,887	$1,455,000	$0
Amount Issued	$970,000	$970,000	$678,887	$1,455,000	$0
Amount Redeemed	$1,374,622	$891,087	$789,077	$989,077	$989,077
FY 2020 EST. Amount Outstanding		$1,388,703	FY 2020 EST. Amount under review to be Authorized and Issued		$3,701,213

Since the cap for this tax credit is $6 million annually (subject to appropriation), for purposes of this fiscal note, Oversight will present the extension of the tax credit as a continuation of the current appropriation level ($1,500,000) up to the $6 million annual cap.

<u>Section 135.325, 135.326, 135.327, 135.335 & 135.800 - Adoption Tax Credit</u>

Officials from **B&P** state this section modifies the Special Needs Adoption Tax Credit and renames it the Adoption Tax Credit. Any person residing in the state who proceeds with the adoption of a child on or after January 1, 2021, regardless of whether such child is a special needs child, shall be eligible to receive a tax credit of up to $10,000 for nonrecurring adoption. This credit is capped at $2 million but may be increased by appropriation.

These changes could increase participation in the program and could reduce general and total state revenues by up to $2 million annually.

Officials from **DOR** state, currently, a tax credit is available for taxpayers who adopt a special needs child in an amount up to $10,000 for nonrecurring adoption expenses. A business entity that provides funds to an employee to enable the employee to adopt a special needs child can also receive a tax credit up to $10,000 for nonrecurring expenses paid. This proposal, starting January 1, 2021, would remove the restriction that this tax credit be only for the adoption of special needs children and will allow for the adoption of any child.

ASSUMPTION (continued)

Currently this tax credit is capped at $2,000,000 annually unless an appropriation is made to increase the amount. This proposal does not change the exiting cap. According to DOR data, the following amount of credits have been redeemed:

Fiscal Year 2016	$231,267
Fiscal Year 2017	$127,211
Fiscal Year 2018	$88,706
Fiscal Year 2019	$19,815

DOR assumes that since the cap was not changed this would not have any additional fiscal impact but could increase utilization of this credit. This version of the proposal allows for a prioritization of the credits to first those who adopt special needs children. DOR assumes this would not have any fiscal impact as the cap is still unchanged by this proposal.

In response to similar legislation (HCS for HB 2171 - 2020), officials from the **Missouri Department of Social Services** stated there would be no fiscal impact to their organization.

Oversight notes DOR and DSS assume this proposed legislation will not have a fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will report a zero fiscal impact for these organizations.

Officials from the **Missouri Department of Commerce and Insurance (DCI)** state there could be a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) as a result of the change to the "Adoption Tax Credit Act" tax credit. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

DCI will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, DCI may need to request more expense and equipment appropriation through the budget process.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Oversight notes DCI assumes they are able to absorb the costs associated with the programming changes required by this proposal, but if multiple proposals pass during the legislative session requiring additional program changes, cumulatively, the effect of all proposals passed may result in DCI needing additional appropriations.

Oversight notes these proposed sections change the name of the Special Needs Adoption Tax Credit to Adoption Tax Credit.

Oversight further notes these proposed sections states, beginning on or after January 1, 2021, any person residing in this state who proceeds in good faith with the adoption of a child shall receive a tax credit of an amount up to $10,000 for non-recurring expenses paid for each child adopted to be used against taxes owed under Chapter 143. The tax credit shall be allowed regardless of whether or not the child is a resident or ward of the State of Missouri. Any business entity that provides funds to an employee in order for such employee to proceed in good faith with the adoption of a child, shall be eligible to receive a tax credit of an amount up to $10,000 for non-recurring expenses paid.

Oversight notes, currently, the Special Needs Adoption Tax Credit allows a tax credit to any person or business that proceeds to adopt a special needs child that is a resident or ward of the State of Missouri.

These proposed sections removes the requirement that the child be special needs and also removes the requirement that the child be a resident or ward of the State of Missouri. However, this proposed legislation states priority shall be given to applicants who file for the tax credit who have adopted a child of special needs or a child that is a resident or ward of residents of this state at the time in which the adoption was initiated.

Oversight assumes the participation of the program would increase due to the reduced requirements or criteria required to receive the tax credit.

Oversight notes, per the Tax Credit Analysis for the existing Special Needs Adoption Tax Credit, submitted to Oversight by DOR, the tax credit had the following activity:

ASSUMPTION (continued)

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (est)	FY 2021 (est.)
Certificates Issued (#)	0	0	0	*0*	0
Projects (#)	0	0	0	*0*	0
Amount Redeemed	$127,211	$88,706	$0	*$108,000*	$108,000

Oversight notes, based on the information provided by DOR, the average amount of Special Needs Adoption Tax Credit to be claimed and allowed on tax returns each year equals $116,750. Oversight notes, though, the Tax Credit Analysis for the existing Special Needs Adoption Tax Credit assumes Fiscal Year 2021 redemptions will amount to $108,000.

Therefore, for purposes of this fiscal note, **Oversight** will show a reduction to GR and TSR equal to the difference between the tax credit cap equal to $2 million and the estimated Fiscal Year 2021 redemption amount equal to $108,000 as a result of the anticipated increase in participation and utilization.

Thus, **Oversight** estimates GR and TSR may be reduced by $1,892,000 ($2,000,000 - $108,000) beginning in Fiscal Year Fiscal Year 2022.

Section 135.390 - Tax Credit for Employers Who Hire the Homeless

Officials from **DOR** state this section states that, for all tax years beginning on or after January 1, 2021, an eligible taxpayer shall be allowed to claim a tax credit against such taxpayer's income tax liability under Chapter 143, excluding withholding tax.

The total amount of tax credits authorized under this section shall not exceed one million dollars ($1,000,000) per fiscal year.

The Division of Workforce Development within the Department of Higher Education and Workforce Development, or any Missouri state agency, shall be responsible for creating and publishing guidelines for determining who is a qualified provider of employment services to homeless persons.

ASSUMPTION (continued)

The division shall create an application for taxpayers to apply to be certified as a qualified providers of employment services to homeless persons.

In order to receive such certification, a taxpayer shall, at a minimum, demonstrate that such taxpayer provides services or training designed specifically to help homeless persons find and secure meaningful employment opportunities.

Any certification under this subsection shall be valid for twelve months for purposes of applying to the Department of Revenue for the tax credit authorized under this section.

The Department of Labor shall be responsible for creating and publishing guidelines for determining who is a qualified provider of employment to homeless persons. DOR shall create an application for taxpayers to apply to be certified as a qualified provider of employment to homeless persons. In order to receive such certification, a taxpayer shall, at a minimum, demonstrate that such taxpayer provides employment of at least twenty-eight hours per week, at a wage rate that meets or exceeds the state minimum wage rate under Section 290.502.

Any certification granted under this subsection shall be valid for twelve months for purposes of applying to the Department of Revenue for the tax credit authorized under this section.

The Missouri Housing Development Commission shall be responsible for creating and publishing guidelines for determine who is a qualified provider of housing for homeless persons. The commission shall create an application for taxpayer to apply to be certified as qualified providers of housing to homeless persons. In order to receive such certification, a taxpayer shall, at a minimum, demonstrate that such taxpayer leases, rents or provides free of charge adequate income-based residential housing to homeless persons.

Any certification granted under this subsection shall be valid for twelve months, for purpose of applying to the Department of Revenue for the tax credit authorized under this section.

The Department of Revenue shall design and publish an application for taxpayers to receive the credit authorized in this section. The application shall require a taxpayer to provide proof that such taxpayer has been certified or re-certified, within one calendar year of the date such application is received by the Department of Revenue, as a qualified provider of an employment services, employment, or housing to homeless persons, under subsections 4 to 6 of this section.

ASSUMPTION (continued)

Applications shall be accepted and approved by the Department of Revenue on a first-come, first served basis. The Department of Revenue shall issue certificates of eligibility to those taxpayers who submit application which have been approved.

The Department of Revenue, Department of Higher Education and Workforce Development, the Department of Labor and the Missouri Housing Development Commission, and any other agency wherein workforce development lies may promulgate such rules or regulations as are necessary to administer the provisions of this section.

The program authorized under this section shall automatically sunset six years after the effective date of this section, unless re-authorized by an act of the general assembly.

If such program is re-authorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the re-authorization of this section and this section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

DOR anticipates this section to result in a large enough increase to require the following: One (1) FTE Revenue Processing Technician I ($24,360 annual salary, $48,500 annual fringe benefits and $10,000 equipment and expense [first year]) for every 6,000 tax credits redeemed and one (1) FTE Revenue Processing Technician I for every 7,600 errors and correspondence generated and $2,000 for forms and programming.

Oversight notes this section would permit a taxpayer to claim a credit not to exceed $10,000. Furthermore, this tax credit program has an annual cap of $1,000,000. Therefore, Oversight assumes the minimum number of individuals that could claim this tax credit is 100. Thus, for purposes of this fiscal note, Oversight assumes DOR can absorb the additional responsibilities and costs associated with this section with existing resources. Should the tax credit program to be significant, DOR may seek additional FTE and expense and equipment appropriation though the appropriation process.

Oversight notes DOR assumes this section could cause a negative impact to GR equal to $1,000,000 (tax credit cap) each fiscal year beginning in Fiscal Year 2022 (the fiscal year in which Tax Year 2021 tax returns are first filed).

ASSUMPTION (continued)

In response to similar legislation (HB 1587 - 2020), officials from **B&P** state this section would create a tax credit for taxpayers that provide employment, employment services, and housing to homeless persons for tax years beginning on or after January 1, 2021. Taxpayers can claim a tax credit against their income tax liability in such taxpayer's eligible amount, not to exceed $10,000. Authorizations are capped at $1,000,000 annually. This proposal could reduce general and total state revenues by up to $1,000,000, annually, beginning in Fiscal Year 2022.

This proposal could impact the calculations under Article X, Section 18(e).

Oversight notes, in response to similar legislation (HB 1587 - 2020) the **Missouri Department of Social Services**, the **Missouri Department of Higher Education and Workforce Development**, the **Missouri Department of Labor and Industrial Relations** and the **Missouri Department of Economic Development (Missouri Housing Development Commission)** had stated the proposed section would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations as it relates to this section. .

For purposes of this fiscal note, **Oversight** well report a negative impact to GR equal to $1,000,000 beginning in Fiscal Year 2022 and each fiscal year thereafter.

Section 135.550 - Domestic Violence Tax Credit

Officials from **DOR** notes, currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent (50%) of the amount such taxpayer contributed to a shelter for victims of domestic violence. No taxpayer is allowed to claim more than $50,000 and the total cumulative cap on the program is two million ($2,000,000) annually.

DOR notes the current tax credit program has issued the following amount of credits:

Fiscal Year 2015	$1,426,180
Fiscal Year 2016	$1,892,974
Fiscal Year 2017	$1,611,058
Fiscal Year 2018	$1,871,245
Fiscal Year 2019	$1,852,801

ASSUMPTION (continued)

This proposal expands the existing program to allow a taxpayer to claim a $1,000 credit if they convert abandoned property into an operational shelter for victims of domestic violence. Additionally a $500 credit can be received if a taxpayer has rented residential real estate to a victim of domestic violence. These additional ways to claim the tax credits begin on January 1, 2021 and therefore, the first returns with these credits will be claimed starting January 1, 2022 (Fiscal Year 2022).

This proposal does not change the $2 million cap currently on the program but may expand those that are eligible for the credit. DOR assumes this would not have any additional fiscal impact since the cap on the program has not changed.

Officials from the **Missouri Department of Social Services (DSS)** state this section is allowing a tax credit of $1,000 for a taxpayer who converts an abandoned property to a shelter for victims of domestic violence.

Furthermore, this section allows a $500 tax credit for landlords who rent to victims of domestic violence. This portion of the tax credit will require administrative work by DSS, including verifying the landlord tax credit. DSS will require one Executive I.

Oversight notes DSS requires one Executive I as a result of the added provision of this section allowing a $500 tax credits for landlords who rent to victims of domestic violence. For purposes of this fiscal note, Oversight will include DSS's FTE cost being paid from GR.

Oversight notes, per the Tax Credit Analysis Form, for the Shelter for Victims of Domestic Violence Tax Credit, the following activity has been recognized:

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (Est)	FY 2021 (Est)
Certificates Issued (#)	2364	2403	2035	2450	2450
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	$1,611,058	$1,871,245	$1,752,801	$1,800,000	$1,800,000
Amount Issued	$1,611,058	$1,871,245	$1,852,801	$1,800,000	$1,800,000
Amount Redeemed	$1,476,638	$1,510,572	$883,099	$1,300,000	$1,300,000

ASSUMPTION (continued)

Oversight notes, in Fiscal Year 2020, $1,800,000 is projected to be issued in Domestic Violence Shelter Tax Credit(s).

Oversight notes this proposed section would permit a taxpayer to claim a tax credit equal to $1,000 if such taxpayer has converted a property into an operational shelter for victims of domestic violence. Furthermore, this proposed section would permit a taxpayer to claim a tax credit equal to $500 provided the taxpayer has rented residential real estate to a victim of domestic violence.

Oversight notes this section does not change the current $2,000,000 cap. Therefore, for purposes of this fiscal note, Oversight will show the negative fiscal impact as a result of the potential increased in utilization of this tax credit.

Also, the expansion of this section to permit additional tax credits is to begin for all tax years beginning on or after January 1, 2021. Oversight notes Tax Year 2021 tax returns would not be filed until after January 1, 2022 (Fiscal Year 2022).

For purposes of this fiscal note, **Oversight** will report a negative fiscal impact to GR in an amount equal to Up to $200,000 beginning in Fiscal Year 2022 and each fiscal year thereafter.

Section 135.1300 - Tax Credit for Teachers

Officials form **DOR** state, for all tax years beginning on or after January 1, 2021, an eligible taxpayer shall be allowed to claim a refundable tax credit against the state income tax otherwise due by such taxpayer under chapter 143, excluding withholding tax under sections 143.191 to 143.265, in an amount equal to five hundred dollars. To be an eligible taxpayer, a person has to work in an eligible school district and live within that same school district.

This program does not have a cap. DOR is unable to determine the number of teachers who work and live in the eligible school districts. DOR assumes this could exceed $100,000 annual loss to General Revenue. The first time tax returns could be filed claiming the tax credit would be January 2022 (Fiscal Year 2022).

DOR anticipates this legislation could result in a significant enough of an increase to require the following FTE: one (1) FTE Revenue Processing Technician I for every 6,000 tax credits redeemed; one (1) FTE Revenue Processing Technician I for every 4,000 tax credit transfers; one (1) Revenue Processing Technician for every 7,600 errors/correspondence generated and forms and programming changes.

ASSUMPTION (continued)

Oversight notes DOR anticipates the need for additional FTE requirements as the impact is currently unknown, as mentioned above. However, for purposes of this fiscal note, based on the estimates mentioned below, in conjunction with DOR's FTE requirements, Oversight assumes DOR may absorb the additional responsibilities and costs associated with this tax credit program.

Oversight notes this section would permit any teacher who is employed as a teacher in a qualified school district and resides in such school district to qualify for a tax credit equal to $500 which may be refunded. Oversight notes a qualified school district is defined as any school district that is located in St. Louis City, Kansas City, St. Louis County or Jackson County.

Oversight notes there is no cap on this tax credit program.

Oversight notes the population of Missouri is 6,137,428 and there were 69,082 classroom teachers in Missouri which is approximately 1.13% of the population.

District/County	Population
St. Louis City	300,576
St. Louis County	994,205
Jackson County	703,011
Total	1,997,792

If 1.13% of the population residing in these districts were classroom teachers and received a $500 dollar tax credit it would cost approximately $11,287,500 (22,575 (1,997,792 x 1.13%) x $500). Oversight notes part of the Kansas City Public School District are located in Clay, Cass and Platte counties. This estimate does not include residents that may qualify in those counties. Therefore, Oversight assumes the cost could exceed the estimate above. However, obviously not all teachers live in their school district; therefore, Oversight will reflect a cost of "Up to" $11,287,500 per year from this new tax credit.

The tax credit program authorized under this section would begin for all tax years beginning on or after January 1, 2021. Therefore, **Oversight** assumes Tax Year 2021 tax returns would not be filed until after January 1, 2022 (Fiscal Year 2022).

ASSUMPTION (continued)

Section 135.1620 - Tax Credit for Grocery Store in Food Desert

Officials from **DOR** state a taxpayer shall be allowed to claim a tax credit against to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the taxpayer's eligible expenses for establishing a full-service grocery store in a food desert after initial expenses of: 1) One million dollars if the full-service grocery store is established in a charter county, a county of the first classification, or a city not within a county; or 2) Five hundred thousand dollars if the full-service grocery store is established in any other county.

The amount of tax credits claimed shall not exceed the amount of the taxpayer's state tax liability in the tax year in which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of two million five hundred thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over to the next three succeeding tax years until the full credit is claimed.

The total amount of tax credits that may be authorized under this section shall not exceed twenty-five million dollars in any calendar year.

Tax Credits issued under the provisions of this section may be transferred, sold, or assigned.

The program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of this section unless re-authorized by an act of the general assembly; if such program is re-authorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the re-authorization of this section; the section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly issued before the program was sunset in a tax year after the program is sunset.

Section 135.1620.4 states that the total amount of tax credits that may be authorized under this section shall not exceed twenty-five million dollars in any calendar year. The effective date of this proposal is August 28, 2020.

ASSUMPTION (continued)

Fiscal Year	Impact to General Revenue
FY21	($25,000,000)
FY22	($25,000,000)
FY23	($25,000,000)

DOR anticipates this section will result in a significant enough of an increase to require the following: one (1) FTE Revenue Processing Technician I for every 6,000 tax credits redeemed, one (1) FTE Revenue Processing Technician I for every 4,000 tax credits transferred with CISCO phones, one (1) FTE Revenue Processing Technician I for every 7,600 errors errors/correspondence generated and forms and programming changes.

Oversight notes DOR anticipates the need for three (3) FTE Revenue Processing Technicians I and form and programming changes as a result of this proposed legislation.

Oversight notes this proposed legislation would allow a taxpayer to claim a tax credit not to exceed a taxpayer's state tax liability and that such tax credit may not be awarded to one taxpayer in excess of two million five hundred thousand dollars ($2,500,000). This proposed legislation states the total amount of tax credits that may be authorized shall not exceed twenty-five million dollars ($25,000,000) in any calendar year. Therefore, Oversight assumes the minimum number of taxpayers that could qualify and claim this tax credit each year could be as low as ten (10) [$25,000,000 / $2,500,000].

For purposes of this fiscal note, **Oversight** assumes DOR can absorb the additional responsibilities of the tax credit created under this proposed section with existing resources. However, should the additional responsibilities prove to be significant, DOR may seek additional FTE and equipment and expenses through the appropriation process based on the information provided by DOR.

In response to similar legislation (HB 2110 - 2020) officials from the **Missouri Department of Economic Development (DED)** stated this proposed legislation establishes a new tax credit for the creation of a grocery store in food desert. The amount of the tax credit is fifty percent (50%) of the eligible expenses, with an annual cap of $25 million per calendar year. DED is to administer the tax credit program created. The tax credit program created under this proposed legislation would sunset six years after the effective date.

DED anticipates, since this is a new tax credit program, the need to hire two (2) FTE Economic Development Incentive Specialist III(s) ($51,808 annual salary/FTE, $19,265 annual fringe

ASSUMPTION (continued)

benefits/FTE and $27,387 equipment and expense (first year) with additional equipment and expense equal to $11,600 each year thereafter.

Oversight notes this proposed legislation does not specifically indicate an entity that is to administer the tax credit program authorized under this proposed legislation. Rather, this proposed legislation allows for the promulgation of rules to be promulgated jointly by DED and DOR.

Oversight assumes the number of taxpayers that could qualify and claim this tax credit each year could be as low as ten (10) [$25,000,000 / $2,500,000].

For purposes of this fiscal note, **Oversight** assumes DED can absorb the additional responsibilities of the tax credit created under this proposed legislation with existing resources. However, should the additional responsibilities prove to be significant, DED may seek additional FTE and equipment and expenses through the appropriation process based on the information provided by DED.

Oversight notes a tax credit is awarded to a taxpayer who re-establishes a full-service grocery store in the same location within a food desert where a formerly operational grocery store has been permanently closed after initial expense are incurred. This proposed legislation defines "food desert" as a census tract that has a poverty rate of at least twenty percent (20%) of the statewide average and were at least five hundred people or thirty-three percent (33%) of the population are located at least a mile away from a full-service grocery store in urban areas or at least ten miles away in rural areas.

Per the United States Department of Agriculture, there are approximately 247 census tracts in Missouri that are low-income and are approximately one mile away from a full-service grocery store in urban areas and ten miles away from a full-service grocery store in rural areas. Oversight provides the number of census tracts per county below:

ASSUMPTION (continued)

Oversight notes this proposed legislation creates clawback provisions for taxpayers that are issued credits authorized under this section but fails to operate the re-established full-service grocery store in the same location for at least five consecutive years. Oversight is unable to determine whether or not this clawback provision will have an impact on the state and will not show an impact for this portion of the proposed legislation.

It is unclear whether "contribution" is to be considered "eligible expenses" or not. If the terms are deemed separate and are not interchangeable, Oversight is unaware of any contribution that would qualify for a tax credit created under this proposed legislation and is unable to determine how this would impact the carry forward provision of this proposed legislation.
ASSUMPTION (continued)

Oversight notes this proposed legislation does not have a begin date. Therefore, Oversight assumes individuals could claim the tax credit for the re-establishment of a full-service grocery store in a food desert beginning August 28, 2020 (Fiscal Year 2021).

For purposes of this fiscal note, **Oversight** will report a negative fiscal impact to GR equal to an amount up to $25,000,000 beginning in Fiscal Year 2021 and each fiscal year thereafter.

Section 137.021& 137.115 - Missouri State Tax Commission and Assessors

Officials from **B&P** state section 137.021 would modify current requirements and place new restrictions on the State Tax Commission's duty to promulgate periodic revaluations of agricultural and horticultural land. B&P notes that if this proposal were to impact a current rule, then this provision could reduce revenues to the Blind Pension Trust Fund.

B&P notes that if this provision curtails future property tax revenue growth there could be a negative indirect impact on the Blind Pension Trust Fund.

Furthermore, B&P states Section 137.115 changes the jurisdictions in which the assessor has the burden of proof. This section also requires assessors to complete a physical inspection when the assessed valuation of real property is increased by more than 10%. This change includes increases due to new construction or improvements. Also, this section limits growth in assessed value for residential property to 10% over the prior assessment. B&P notes that while this subsection will not have a direct impact to the Blind Pension Trust Fund or local revenues, this may have a negative indirect impact over time.

ASSUMPTION (continued)

Officials from **DOR** state these sections will not have a fiscal impact on DOR.

Officials from the **Platte County Assessor's Office** state this proposed section would result in a loss equal to $420,000 in Fiscal Year 2021, $650,000 in Fiscal Year 2022 and $1,200,000 in Fiscal Year 2023.

Officials from the **Warren County Assessor's Office** state, in order to complete the physical inspections on all properties regardless of new construction or improvements and other activities created by this legislation, an increase in office functions are required. It would be necessary for Warren County Assessor's Office to double the size of the residential appraisal staff and increase the size of the commercial staff by at least 33 percent. Warren County Assessor's Office assumes this would cost approximately (high end) $1,000,000 in Fiscal Year 2021, $750,000 in Fiscal Year 2022 and $1,250,000 in Fiscal Year 2023.

Officials from the **Howell County Assessor's Office** assume this section will cost approximately $350,000 annually for personnel, training, equipment, legal fees and appraisers.

Officials from the **Ste. Genevieve County Assessor's Office** assume placing a cap would create the need to hire additional appraisers and find additional office space. St. Genevieve County Assessor's Office assumes this section will cost approximately $300,000 annually for salaries and benefits.

Officials from the **Bollinger County Assessor's Office** assume this section will cost approximately $350,000 annually.

For purposes of this fiscal note, **Oversight** will report the cost estimated by the county assessors, reporting a negative fiscal impact to local political subdivisions.

ASSUMPTION (continued)

Section 137.385 - County Assessors

Oversight notes this section changes when appeals must be filed the Board(s) of Equalization(s) from the third Monday in June to the second Monday in July.

Oversight does not have information suggesting this section would have a fiscal impact. Therefore, for purposes of this fiscal note, Oversight will report a zero fiscal impact as it relates to this section.

Section 138.060 - County Assessors

Officials from **B&P** state this section changes the local jurisdictions in which the assessor has burden of proof.

Officials from the **Platte County Assessor's Office** state this proposed section would require the Platte County Assessor's Office to add additional highly specialized staff that would cost $210,000 in Fiscal Year 2021, $280,000 in Fiscal Year 2022 and $350,000 in Fiscal Year 2023.

Section(s) 143.121 & 143.171 - Cares Act Payments

Officials from **DOR** state Section 143.121 states that a taxpayer shall not include the COVID-19 stimulus tax credit in their Missouri adjusted gross income (MAGI). DOR notes that individuals who itemize their tax deductions are required to include any federal tax refunds within their MAGI. This provision would exclude refunds from the COVID-19 stimulus tax credit from this requirement.

Section 143.171 would allow taxpayers to add their COVID-19 stimulus tax credit amount back to their final federal tax due amount, for the purpose of taking the Missouri federal income tax deduction. DOR notes that typically anything that reduces federal income taxes due would also reduce the federal income tax deduction amount. B&P and DOR used their confidential taxpayer modeling software to determine the amount of tax that would be owed if this provision were not adopted.

Language added in this version, that "such amount may be included in the amount to be deducted" could be argued to mean that the full amount of the CARES Act credit may be deducted in addition to the percentage of federal tax liability to be deducted. This would result in a loss to general revenue of Up to $224.8 million in Fiscal Year 2021.

ASSUMPTION (continued)

DOR would be required to add a line to the tax return and will need form and computer programming changes.

Oversight notes Section 143.171 would permit a taxpayer to not consider the amount of any tax credits reducing a taxpayer's federal tax liability pursuant to Public Law 116-136, enacted by the 116th United States Congress when determining the taxpayer's federal tax liability for the purposes of the Federal Income Tax Deduction allowed on the Missouri return, **AND** add the amount of any CARES Act tax credit to the amount being deducted (when not including the CARES Act Tax Credit).

For purposes of this fiscal note, **Oversight** will report the negative fiscal impact to GR equal to $224,800,000.

Section 143.1300 - Tax Deduction for Individuals Making Certain Charitable Contributions

Officials from **DOR** state state this proposal allows a qualified taxpayer to claim a deduction in an amount equal to their qualified amount of contributions to charities if the taxpayer claims the standard deduction. A qualified contribution is the total amount of charitable contributions over the first $500. In order for the contribution to be qualified it cannot have been used to qualify for a tax credit and cannot exceed 50% of a taxpayer's Federal Adjusted Gross Income.

The Federal Tax Credit and Jobs Act (TCJA) which took effect in 2018 doubled the standard deduction and Missouri's standard deduction is equal to the federal deduction. Missouri requires that if the standard deduction is taken on the federal form then a taxpayer must take the standard deduction also on their state return. Charitable deductions can only be deducted from state and federal taxes if a person itemizes. The increased standard deduction resulted in fewer people itemizing.

This proposal would begin on January 1, 2021 and the first returns claiming the deduction would be filed starting January 2022. In order to determine the number of taxpayers and the possible amount of the qualified contributions, DOR used information from the IRS on the number of Missouri filers who reported charitable contributions on their returns (598,030) and the total amount they reported ($4,073,131,000) for Tax Year 2017. DOR notes this resulted in an average reported amount of $6,810 per taxpayer. Since this proposal exempts the first $500, the new average amount per taxpayer would be $6,310.

ASSUMPTION (continued)

A 2019 Giving USA report found that charitable donations declined by 1.1% in tax year 2018 compared to 2019, due to changes in the TCJA. Assuming the 1.1% reduction resulted in a decline of $69 per taxpayer. This proposal would exempt $41,264,070 ($69 x 598,030 taxpayers).

This would not be a dollar for dollar loss to GR as this is a deduction. The current expected tax rates, given SB 509 are used to calculate the loss to the state which is estimated to be:

Tax Year 2021/Fiscal Year 2022	5.3%	$2,186,996
Tax Year 2022/Fiscal Year 2023	5.2%	$2,145,732
Tax Year 2023/Fiscal Year 2024	5.1%	$2,104,468

DOR notes this proposal would not allow a contribution that receives a tax credit to qualify for this deduction. DOR assumes that some of the contributions reported above are used for qualifying for tax credits but has no information as to how many it might be. Therefore, DOR assumes this proposed legislation would have an impact of an amount less than the above projected.

DOR anticipates the need to hire additional FTE based on the following:

One (1) FTE Revenue Processing Technician I for every 14,700 errors created, one (1) FTE Revenue Processing Technician I for every 5,700 pieces of correspondence generated and one (1) temporary employee for the new line item.

Currently, DOR requires taxpayers to include as an addition modification any part of their federal charitable contributions an amount that was the basis for a Food Pantry Tax Credit. This is because the Food Pantry Tax Credit statute explicitly requires it. This bill would require a similar addition modification for any charitable contribution that is also the basis for a tax credit. This would require DOR to coordinate these charitable contributions with the tax credits they claim.

For purposes of this fiscal note, **Oversight** will include DOR's FTE cost being paid from GR.

In response to similar legislation (HB 2347 - 2020), officials from **B&P** stated this proposal would allow for an individual income tax deduction, beginning with Tax Year 2021, for charitable donations (less $500) if a taxpayer claims the standard deduction. This proposal does not allow taxpayers to claim both a tax credit based on donation as well as the deduction created under this proposal. In addition, the deduction claim may not exceed 50% of a taxpayer's Federal Adjusted Gross Income. B&P notes that Missouri taxable income is based on Missouri Adjusted Gross Income, which may be more or less than a taxpayer's Federal Adjusted Gross Income based on Missouri specific additions and subtractions.

ASSUMPTION (continued)

B&P notes that the federal "Tax Cut and Jobs Act" (TCJA), which took effect for Tax Year 2018, doubled the standard deduction. This changed many taxpayers from filing itemized deductions to taking the standard deduction. Currently, charitable donations can only be deducted from state and local taxes if a taxpayer itemizes. Missouri law requires a taxpayer to choose the standard deduction on their Missouri return if they also choose the standard deduction on their federal return.

According to data published by the Internal Revenue Services (IRS), 598,030 Missouri taxpayers claimed charitable donation deductions worth $4,073,131,000 in 2017; this is an average deduction claim of $6,811 ($4,073,131,000 / 598,030) per taxpayer. B&P notes that this proposal would subtract the first $500 in donation from the amount that could be claimed. Therefore, B&P estimates that 2017 average donation claims, less the $500 requirement, were $6,311 ($6,811 - $500).

B&P notes that 2018 Missouri tax year data is not yet available. Therefore, B&P used the Giving USA estimate for the decline in charitable donations (-1.1%) to estimate the reduction in Missouri donation claims for Tax Year 2018. B&P estimates that in Tax Year 2018, eligible charitable donations declined by $69 per taxpayer ($6,811 - $500 minimum x 1.1%). If donations were to increase back to their 2017 level, then this proposal could exempt up to $41,515,276 in donation claims ($69 x 598,030 taxpayers).

However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

B&P notes that while this deduction would become available in Tax Year 2021, the impact to Total State Revenue (TSR) will not occur until taxpayers file their annual return after January 1, 2022 in Fiscal Year 2022.

Tax Year	Current Law	TY21* / FY22	TY22* / FY23	TY23* / FY24
Tax Rate	5.40%	5.30%	5.20%	5.10%
Loss to GR	Less than $2,241,825	Less than $2,200,310	Less than $2,158,794	Less than $2,117,279

*Assumes each SB 509 (2014) trigger is reached for rate reduction

B&P notes that this estimate may overstate the impact to the state for the following reasons: 1) some taxpayers included in the estimate will already be able to claim charitable donations because they itemize on their tax returns, 2) this assumes that donations go back to their 2017 level and not some midpoint between estimated 2018 giving and prior levels of donation, and 3) this assumes that Missouri saw the same 1.1% reduction in charitable giving as the decline seen nationwide.

ASSUMPTION (continued)

Therefore, B&P estimates that this proposal could reduce TSR and General Revenue (GR) by less than $2,241,825 (top tax rate 5.4%) or by less than $2,200,310 (top tax rate 5.3%) in Fiscal Year 2022. Once SB 509 (2014) has fully implemented, this proposal could reduce TSR and GR by less than $2,117,279.

Oversight notes this section permits, in addition to all other deductions provided for under Chapter 143, for all tax years beginning on or after January 1, 2021, a taxpayer may claim a deduction in an amount up to or equal to the total dollar amount of charitable contributions made by the taxpayer in a given tax year, less $500.

Oversight notes Tax Year 2021 returns would not be filed until after January 1, 2022 (Fiscal Year 2022). Therefore, Oversight will report a negative fiscal impact to GR equal to estimates provided by B&P beginning in Fiscal Year 2022 and Fiscal Year 2023, increased by an assumed growth rate of two percent (2%) in Fiscal Year 2024.

In response to similar legislation (HB 2347 - 2020), officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to similar legislation (HB 2347 - 2020), officials from the **Office of the Secretary of State (SOS)** state 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 SOS for Administrative Rules is less than $5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Section 144.016 - Feminine Hygiene Products Sales Tax Exemption

Officials from **B&P** state this section would reduce the state sales tax rate for feminine hygiene products from the current rate of 4.225% to the same rate as the levy on food beginning October, 1 2020. B&P notes that the state levy on food is equal to 1.225% and does not include the 3% tax that would otherwise be deposited into GR.

Based on information from multiple sites, B&P estimates that women purchase an average of 6.8 to 7.2 boxes of tampons and 1.7 to 1.8 boxes of pads and liners per year (using the average cycle length of 28 to 30 days), with an average price of $7 to $10 per box. B&P was also able to determine that the average age for menstruation is 13-51, and based on data provided by the U.S. Census bureau, there are approximately 1.5 million woman between those ages residing in Missouri. Therefore, B&P estimates total sales of $90,279,092 to $138,182,283 may be impacted by this proposal. B&P estimates that reducing the sales tax rate on feminine hygiene products from 3.225% to 1.225% will reduce TSR and GR by $2,708,373 to $4,145,468 annually.

Officials from **DOR** state this section, beginning October 1, 2020, the tax levied and imposed under Chapter 144 on all retail sales of feminine hygiene products shall be levied at a rate that shall not exceed the sales tax levied on the retail sale of food. Therefore, General Revenue would lose its 3% sales tax.

DOR notes the food sales tax only includes the portion of the tax that goes to the School District Trust Fund, the Conservation Commission Fund and the Parks, Soil and Water Funds.

Information from numerous sources indicates that a women menstruates 500 times in her lifetime, usually between the ages of 13-51. The average length of a period is 3-7 days. Sources indicate that a woman uses the following:

	Number Per Cycle	Number Per Year	Number in Box	Boxes per Year
Tampons	20	260	36	7.2
Pads/Panty Liners	5	65	36	1.8

Note a woman has 13 cycles a year (28 day cycle)/352 days a year.
The price per tampons and pads vary. DOR used a low and high price when determining the fiscal impact.

	Price Low	Price High	Total Cost Low	Total Cost High
Tampons	$7	$10	$50.56	$72.22
Pads/Panty Liners	$7	$10	$12.64	$18.06
			$63.19	$90.28

ASSUMPTION (continued)

Using information from the US Census Bureau, DOR calculated the number of women in Missouri as 1,556,248.

This would result taxable sales of:

	Total Cost Low	Total Cost High
Total Estimated Cost per Year	$98,346,228	$140,494,611
GR Portion	$2,950,387	$4,214,838

This proposal begins October 1, 2020 (Fiscal Year 2021). DOR shows a lesser loss to General Revenue in Fiscal Year 2021 because there are three months in Fiscal Year 2021 in which feminine products would remain applicable to have the full amount of state sales tax collected.

Fiscal Year	Low Impact	High Impact
2021 (9 months)	$2,212,790	$3,161,129
2022	$2,950,387	$4,214,838
2023	$2,950,387	$4,214,838

In response to similar legislation (HCS for HB 1306 & 2065), officials from the **Missouri Department of Conservation (MDC)** assume an unknown fiscal impact but greater than $100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Any change in sales and use tax collected would affect revenue to the Conservation Sales Tax funds. However, the initiative is very complex and may require adjustments to Missouri sales tax law which could cause some downside risk to the Conservation Sales Tax. MDC assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Oversight notes Article IV, Section 43 of the Missouri Constitution allows revenue received from an additional one-eighth of one percent to be used for the control, management, restoration, conservation and regulation of the bird, fish, game, forestry, and wildlife resources of this state. The Conservation Commission Fund (0609) receives this sales tax funding.

Officials from the **Missouri Department of Natural Resources (DNR)** state that creating a change in the taxation of feminine hygiene products at a rate not to exceed the sales tax levied on the retail sale of food could decrease the amount of funding available in the Parks (0613) and Soils (0614) Sales Tax Funds for long term operation of Missouri's state parks and historic sites and assistance to agriculture landowners through volunteer programs.

ASSUMPTION (continued)

DNR's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales tax and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, the sales tax exemption could result in an unknown loss to the Parks and Soils Sales Tax Funds.

Oversight notes Article IV, Section 47 of the Missouri Constitution allows revenue received from an additional sales tax of one-tenth of one percent to be used for the conservation and management of the soil and water resources of Missouri and for the property management of state parks. The Parks Sales Tax Fund (0613) and the Soil and Water Sales Tax Fund (0614) each are to receive fifty percent (50%) of this sales tax funding.

Oversight notes this proposal would reduce the tax rate imposed on feminine products from 4.225% to 1.225% (statutory rate of 1 percent for education and rates applied by Missouri constitution equal to .125% - Conservation and .1% - Parks and Soils). Therefore, Oversight assumes this proposed section would not impact the sales tax revenues received by MDC and DNR and both would continue to retain their sales tax funding. Oversight further assumes this proposed legislation would only impact GR. Therefore, for the purposes of this fiscal note, Oversight will not show a fiscal impact to MDC or DNR.

Oversight notes this proposed legislation would reduce the sales tax rate imposed on feminine hygiene products beginning October 1, 2020 (Fiscal Year 2021). Oversight notes for three months of Fiscal Year 2021, feminine products would remain taxable at the current rate of 4.225%. Therefore, the first fiscal year (Fiscal Year 2021) would experience revenue reductions equal to 9/12s of the total estimated fiscal impact.

Oversight notes that one source indicates that a woman who uses such products spends approximately $443 on panty liners and $1,773 on tampons within her lifetime. This would indicate that a woman who uses such products would spend a total of $2,216 ($443 + $1,773) on feminine hygiene products in her lifetime.

The same source indicated that women who use these products do so between the ages of 13 and 51, or for a total of 38 years. Furthermore, the Missouri Census Data Center assumes there is approximately 1,510,729 women between the ages of 13 and 51 residing in Missouri.

ASSUMPTION (continued)

Oversight estimates that if a woman spends $2,216 on feminine hygiene products within their lifetime (38 years), she would spend approximately $58.32 ($2,216 / 38) each year. If each women spends $58.32 on feminine hygiene products, the total spent on such products in Missouri each year would average $88,099,354 ($58.32 * 1,510,729). Based on the estimated total spent on feminine hygiene products each year, Oversight estimates that the State of Missouri collects $3,722,198 ($88,099,354 * 4.225%) on feminine hygiene products annually at a rate of 4.225%. If reduced to a rate of 1.225%, the State of Missouri would collect approximately $1,079,217 ($88,099,354 * 1.225%). Therefore, Oversight estimates that GR could be reduced by $2,642,981 each year ($3,722,198 - $1,079,217) when fully implemented.

Oversight notes another source indicated women spend approximately $120 per year on pads and tampons. If each woman between the ages of 13 and 51 spent $120 per year on pads and tampons, a total of $181,287,480 would be spent on such products ($120 * 1,510,729). Based on the estimated total spent on feminine hygiene products per year, Oversight estimates that the State of Missouri collects $7,659,396 (181,287,480 * 4.225%)) on feminine hygiene products annually at a rate of 4.225%. If reduced to a rate of 1.225%, the State of Missouri would collect approximately $2,220,772 ($181,287,480 * 1.225%). Therefore, Oversight estimates that GR could be reduced by $5,438,624 each year ($7,659,396 - $2,220,772) when fully implemented.

For the purposes of this fiscal note, Oversight will a negative fiscal impact to GR ranging from $2,212,790 to $3,161,129 in Fiscal Year 2021, as estimated by DOR and $2,950,387 to $4,214,838 in Fiscal Year 2022, as estimated by DOR, increased annually by an assumed growth rate of two percent (2%).

Section 160.415 - School District Funding

Officials from **B&P** state this section allows the Missouri Department of Elementary and Secondary Education to impose “any penalty the department deems appropriate.” This could result in an unknown positive fiscal impact to Missouri.

Officials from **DOR** state this section would not appear to have an impact on DOR. DOR defers to the Department of Elementary and Secondary Education for fiscal impact.

In response to similar legislation (HCS for HB 1664 - 2020), officials from the **Department of Elementary and Secondary Education (DESE)** assumed the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

As it relates to Section 160.415, based on information from the Annual Secretary of the Board Report, **Oversight** notes the following totals for some of the revenue sources defined as "Local Aid" in this proposal:

Table I: Revenue Sources

Revenue Source	Kansas City Public Schools	St. Louis City Public Schools
Financial Institutions Tax	$ 1,215,695	$ 1,684,769
Merchants' & Manufacturers' Tax	$ 9,600,904	$ 24,770,006
In Lieu of Tax	$ 3,371,959	$ 556,968
City Sales Tax	$ 0	$ 27,667,281
Fines, Escheats, Etc.	$ 3,643,667	$ 9,470,235
State Assessed Utilities	$ 4,636,870	$ 3,491,731
Total	**$22,469,095**	**$ 67,640,989**

Oversight included the "Fines, Escheats, Etc." in this calculation because it was not specifically excluded from the all-inclusive definition of "local aid." Based on information from DESE's website, **Oversight** estimated the following Weighted Average Daily Attendance (WADA) for each district/charter school group:

Table 2: WADA for Kansas City Public Schools and Charter Schools

	Weighted Average Daily Attendance
Kansas City Public Schools	18,026
Kansas City Charter Schools	15,472
Total	**33,498**

ASSUMPTION (continued)

Table 2: WADA for St. Louis City Public Schools and Charter Schools

	Weighted Average Daily Attendance
St. Louis Public Schools	25,811
St. Louis Charter Schools	12,724
Total	**38,534**

Oversight estimates approximately $671 per WADA or $10,381,712 would transfer from the Kansas City Public Schools to the Kansas City area Charter Schools ($22,469,095 / 33,498 = $671) * 15,472).

Additionally, **Oversight** estimates approximately $1,755 per WADA or $22,330,620 total would transfer from the St. Louis City Public Schools to the St. Louis City area Charter Schools ($67,640,989 / 38,534 = $1,755) * 12,724).

Oversight notes this proposal includes the funds identified in Table I in the definition of "local aid"; however, it is not limited to those funds. Therefore, Oversight will show a transfer from the Kansas City Public Schools and St. Louis City Public Schools to the area Charter Schools that could exceed $32,712,332 ($10,381,712 + $22,330,620).

Oversight notes that charter schools currently receive a smaller amount of money from DESE that was supposed to be similar to local effort the districts rely on. That current payment from DESE appears to be less than the "local aid" payments charter schools would receive under this proposal.

Oversight notes subsection 160.415.15 is effective July 1, 2021. Therefore, Oversight will reflect impact starting in Fiscal Year 2022.

For purposes of this fiscal note, **Oversight** will report a negative fiscal impact to Local Education Agencies (Kansas City and St. Louis Public Schools) equal to an amount that "Could exceed $32,712,332" beginning in Fiscal Year 2022.

Furthermore, for purposes of this fiscal note, **Oversight** will report a positive fiscal impact to Local Education Agencies (Kansas City and St. Louis Charter Schools) equal to an amount that "Could exceed $32,712,332" beginning in Fiscal Year 2022.

ASSUMPTION (continued)

Section 163.011 - School Funding

In response to similar legislation (HB 1818 - 2020), officials from the **Department of Elementary and Secondary Education (DESE)** assumed this proposal would increase the formula call by $2,093,973, starting in Fiscal Year 2021, when looking at Fiscal Year 2020 foundation formula call and have a slight increase each year thereafter.

Upon further inquiry, **DESE** stated the estimate is the difference between Fiscal Year 2018 and Fiscal Year 2005 fines and then the difference between the foundation formula call with the increase in fine revenue and the foundation formula call without the increase in fine revenue.

Oversight assumes the fine revenue collected varies from year to year; therefore, Oversight will show a range of impact of $0 (no difference between current year fine revenue and Fiscal Year 2005 fine revenue) to a cost to General Revenue due to an increased call to the foundation formula as estimated by DESE.

Oversight will reflect DESE's estimated impact to local school districts, but will assume the impact will not occur until Fiscal Year 2022.

Section 163.024 - Calculation of Local Effort in Iron County

In response to similar legislation (HCS for HB 1817 - 2020), officials from the **Department of Elementary and Secondary Education (DESE)** assumed this proposal would have no fiscal impact on their organization.

In response to similar legislation (HCS for HB 1817 - 2020), officials from the **Department of Natural Resources** assumed the proposal would have no fiscal impact on their organization.

Upon further inquiry, **DESE** stated the fines paid into the Iron County school fund are from Doe Run mine and if those fines had to be included in the districts local effort calculation it would result in a lower foundation formula to those districts.

That being said, the last time these same fines where paid, this exact same law was in place to prevent the large fine amount from devastating the amount of foundation formula the district would receive. So the reply was in reference to the fact that last time these same fines where paid they were not included as part of the local effort deduction.

ASSUMPTION (continued)

But there would officially be a lower formula call if this law were not in place, but at this time we do not have enough information in order to estimate that.

Oversight notes the following school districts appear to be located in Iron County:

- South Iron County R-I School Districts (Hold Harmless)
- Arcadia Valley R-II
- Belleview R-III
- Iron County C-4 School District (Hold Harmless)

Per the Administrative Order on Consent No. APCP-2019-001 the penalty to be paid by the respondents is $1,200,000 in three annual payments $400,000. Based on information provided by DESE, **Oversight** notes some of the school districts located in Iron County are considered hold harmless and the state aid payment would not change regardless of the whether the fine revenue is included in the calculation of local effort for districts considered hold harmless.

However, two of the districts are not considered hold harmless and any fine revenue not included in the calculation of local effort as a result of this proposal would result in a dollar for dollar increase in the state aid calculation. Therefore, **Oversight** will show a range of impact from $0 (districts impacted are considered hold harmless) to a potential increased call to the foundation formula of up to $400,000 due to additional fine revenue not being included in the calculation of local effort for districts that are not hold harmless.

Section 620.2250 - T.I.M.E. Zones

Officials from **B&P** state this section allows for 25% of the state tax withholdings on new jobs within a TIME zone to be deposited into the TIME zone fund, newly created, rather than the general revenue fund.

As TIME zones do not currently exist, there is no data to estimate a fiscal impact. If new jobs are created in a TIME zone that would not otherwise be created but for the TIME zone, the TIME zone fund could be impacted positively in a nominal amount.

Officials from **DOR** state Section 620.2250.7 allows for the diversion of 25% of the state tax withholding on new jobs to not be remitted to General Revenue and instead go to a designated TIME Zone as outlined in this proposal. DOR notes this 25% is on new jobs created and is not currently being collected by DOR. DOR is unable to estimate the number of new jobs that may be created and the new withholding tax those new jobs would generate.

ASSUMPTION (continued)

Officials from the **Missouri Department of Economic Development (DED)** state for every new job created in the TIME zone, 25% of state tax withholdings imposed by 143.191-143.265 shall not be remitted to the general fund but shall be put into the TIME Zone Fund to be used by the zone board for managerial, engineering, legal, research, promotion, planning and any other expenses.

DED is only mentioned as the agency to which the annual budget is submitted. DED has no mechanism to calculate the estimated impact of this section on the general revenue.

DED is responsible for approving any agreement renewals, along with reviewing annual budgets, annual reports and recapture of withholding, if necessary. Therefore, we would need one FTE to implement the program.

Oversight notes Section 620.2250 of this proposal creates the Targeted Industrial Manufacturing Enhancement Zones Act. This also creates the TIME Zone Fund. Once an ordinance or resolution is passed/adopted by at least two political subdivisions, this proposal requires "twenty-five percent (25%) of the state tax withholdings" to go directly to the new fund created. Oversight will assume a loss to General Revenue of the withholding tax and a gain to the TIME Zone Fund of the withholding tax. Oversight notes this section states the total amount of withholding taxes retained by all TIME Zones shall not exceed five million dollars ($5,000,000) per fiscal year. Since there is no way to determine if additional jobs will come to these regions, Oversight will reflect the negative fiscal impact to GR as $0 (no new jobs created) to $5,000,000). Also, depending upon the number of TIME Zones established and new jobs created, Oversight assumes DED may be able to absorb some additional responsibilities created by this bill. Therefore, Oversight will range DED's administrative needs from zero impact to one additional FTE. Oversight assumes this section would become effective August 28, 2020; therefore, for purposes of this fiscal note, Oversight will report the fiscal impact, as it relates to this section, beginning in Fiscal Year 2021.

Section 620.3210 - Capitol Complex Fund / Capitol Complex Tax Credit

Officials from **B&P** state this proposal would create a tax credit for individuals or entities that make eligible monetary or artifact donations to the Capitol Complex Fund, beginning January 1, 2020. Taxpayers may claim a tax credit for an amount up to 50% of their eligible monetary donation or for an amount up to 30% of their eligible artifact donation. The credit for monetary donations is refundable or can be carried forward to any of the four subsequent taxable years. The credit for eligible artifact donations has a four-year, carry-forward provision. Issuances of these tax credits are capped at $10,000,000 annually. These tax credits may offset Tax Year 2020 liabilities; therefore, reducing general and total state revenues by up to $10,000,000 annually beginning in Fiscal Year 2021.

ASSUMPTION (continued)

This proposal would also create the Capitol Complex Fund that will be used for maintenance, renovations, and rehabilitation of the Capitol Complex, administered by the Missouri Development Finance Board. Revenues for this fund will consist of monetary donations. Because this fund will be a Missouri Development Finance Board fund outside the State Treasury, it will have no impact on total state revenues.

Officials from **DOR** state this section creates the "Capitol Complex Tax Credit Act". For all taxable years beginning on or after January 1, 2020, this act authorizes a tax credit against the taxes otherwise due under chapter 143 and 148, except for sections 143.191 to 143.265, for all monetary and artifact donations. The tax credit for monetary donations shall not exceed fifty percent of the eligible donation, is refundable and may be carried forward up to four taxable years. The tax credit for artifact donations shall not exceed thirty percent of the eligible donation, is not refundable but may be carried forward up to four taxable years. No more than 10 million dollars in tax credits shall be authorized in any given calendar year.

This section establishes the "Capitol Complex Fund", which is authorized to receive any eligible monetary donation as provided in the section. The "Capitol Complex Fund" shall be separated into two accounts: a rehabilitation and renovation account and a maintenance account. The distribution of the funds shall be 90 percent and 7.5, respectively. The remaining 2.5 percent may be used for soliciting donations to the fund, advertising and promoting the fund, and administrative costs of the fund.

This would be a negative impact to General Revenue of Up to $10 million annually beginning in Fiscal Year 2021.

Oversight notes the tax credit program authorized under this proposed legislation would begin January 1, 2020. Tax Year 2020 tax returns claiming the tax credit(s) authorized under this proposed legislation would not be filed until after January 1, 2021(Fiscal Year 2021). Therefore, Oversight will show the revenue reduction to GR and TSR, as it relates to the tax credit beginning in Fiscal Year 2021 and show the revenue gain to the Capitol Complex Fund, as it relates to the donations made, beginning in Fiscal Year 2021.

Officials from **Missouri Department of Economic Development (DED)** stated this creates the Capitol Complex Tax Credit Act. Beginning January 1, 2020, a donor gets a tax credit equal to fifty percent (50%) for monetary donations and thirty percent (30%) for artifact donations. This proposed legislation places a cap of $10 million in authorizations per year. This is the impact to TSR since it is a reduction of tax revenue.

DED will need to hire one (1) Economic Development Incentive Specialist III (at $51,808 annually) to administer the program.

ASSUMPTION (continued)

Oversight assumes DED could absorb the additional duties and responsibilities of the tax credit program proposed without adding additional FTE; however, due to the uncertainty of how many tax credits will be issued under this proposed legislation, Oversight will range DED's cost from $0 (FTE can be absorbed) to the estimate(s) provided by DED for one Economic Development Incentive Specialist III (FTE is not absorbed) to the Capitol Complex Fund. Oversight notes this proposed legislation allows administrative costs to be paid out of the Capitol Complex Fund. Therefore, Oversight assumes GR would not be impacted by adding DED's FTE. Oversight notes, however, this proposed legislation would not require in-state or out-of-state travel for DED. Therefore, Oversight has adjusted the expenses reported by DED to remove the in-state and out-of-state travel expenses reported.

Officials from the **Office of Administration (OA)** state this bill would create the Capitol Complex Fund (the Fund) to be used for maintenance, renovation, and rehabilitation of the Capitol Complex. Donors to the Fund would be eligible to receive a credit against state income tax for 50% of their donation amount. The bill provides that the Commissioner of Administration would determine what projects are performed with the money from the Fund and how projects will be carried out. OA and the Office of Administration - Facilities Management, Design & Construction Division (OA-FMDC) assumes this bill could result in OA-FMDC being responsible for additional projects in the Capitol Complex. Without information about the amount of donations that would be received and the nature of the projects that would be performed with the money from the fund, there could be an increase in project work. On the other hand, this bill could have a cost savings for OA-FMDC dependent upon the amount of donations and tax credits that could equitably be used towards projects and maintenance to the buildings.

Officials from the **Missouri Department of Commerce and Insurance (DCI)** state a potential unknown negative impact of premium tax revenues (up to the tax credit limit established in the bill) as a result of the Domestic Violence & Rape Crisis Center and the Capitol Complex tax credit. Premium revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

DCI states minimal contract computer programming will be required to add this new tax credit to the Premium Tax Database and can do so under existing appropriation. However, should

ASSUMPTION (continued)

multiple bills pass that would require additional updates to the Premium Tax Database, DCI may need to request for expense and equipment appropriation through the budget process.

Oversight notes DCI assumes they could absorb the responsibilities of the tax credit created under this proposed legislation. Should many bills pass which warrant updates to DCI's Premium Tax Database, DCI may seek additional expense and equipment through the appropriation process.

Oversight notes this proposed legislation establishes the Capitol Complex Tax Credit Act for which qualified donors of eligible monetary items and eligible artifact items could qualify for a tax credit to offset tax(es) due under Chapters 143 and 148, other than Withholding Tax(es) authorized under Section(s) 143.191 to 143.265. The tax credit program authorized would begin January 1, 2020. Qualified donors who make eligible monetary donations could qualify for a tax credit up to fifty percent (50%) of the amount donated while qualified donors who make eligible artifact donations could qualify for a tax credit up to thirty percent (30%) of the value of the artifact which would be determined by the Board of Public Buildings. Oversight notes the Board of Public Building consists of the Governor, the Attorney General and the Lieutenant Governor. Tax credits authorized for eligible monetary donations could be refunded or carried forward for four taxable periods. Tax credits authorized for eligible artifact donations are limited to the recipients state tax liability and may not be refunded but may be carried forward for four taxable periods.

Oversight notes that no more than $10 million may be authorized in tax credit(s) under this proposed legislation each calendar year and the tax credits would be issued on a first-come, first-serve basis.

Therefore, **Oversight** estimates GR and TSR could be reduced by an amount up to $10,000,000 as a result of the tax credit created under this proposed legislation.

Oversight notes the eligible monetary amounts donated by qualified donors would be deposited into the Capitol Complex Fund.

Oversight estimates the maximum deposits into the Capitol Complex Fund each year by means of eligible monetary donations to be $20 million ($10 million cap / 50% tax credit).

ASSUMPTION (continued)

This proposed legislation provides that the Capitol Complex Fund shall be segregated into two separate accounts; a Rehabilitation and Renovation Account and a Maintenance Account. Oversight notes the proposed legislation states ninety percent (90%) of the revenues received from eligible monetary donations shall be deposited into the Rehabilitation and Renovation Account and seven and one-half percent (7.5%) percent shall be deposited into the Maintenance Account while the remaining two and one-half percent (2.5%) may be used for the purposes of soliciting donations to the fund, advertising and promoting the fund, and administrative costs of administering the fund. Oversight provides the following maximum estimated allocation of revenues generated by eligible monetary donations:

Capitol Complex Fund		Rehab. And Renovation Account (90%)	Maintenance Account (7.5%)	Soliciting/Advertising/Promotion/ Admin. Costs (2.5%)
Section 620.3210	$20,000,000	$18,000,000	$1,500,000	$500,000
Total (DED FTE Not Included)	**$20,000,000**	**$18,000,000**	**$1,500,000**	**$500,000**
Less DED Admin. Cost	($84,157) credited from revenues in last column			
Total (DED FTE Included)	**$19,915,843**	**$18,000,000**	**$1,500,000**	**$415,843**

Oversight notes the estimated deposits into the Capitol Complex Fund of $20 million is dependent on monetary donations and could be reduced by each eligible artifact donation, as tax credits awarded for such a donation do not warrant any deposit into the Capitol Complex fund but would lessen the shared amount available within the $10 million tax credit cap.

Oversight notes, since the Capitol Complex Fund would be a Missouri Development Finance Board fund, outside of the State Treasurer's Office, there will be no impact to General Revenue (GR) or Total State Revenue (TSR) as a result of the qualified donations.

In response to similar legislation, (SCS for SB 586 - 2020) officials from the Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

ASSUMPTION (continued)

In response to similar legislation, (SCS for SB 586 - 2020) officials from the **Governor's Office**, the **Missouri Department of Transportation**, the **Missouri State Treasurer's Office** and the **Missouri Attorney General's Office** have stated this proposed section would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for these organizations.

Oversight notes the **Missouri Attorney General's Office**, the **Missouri Department of Health and Senior Services**, the **City of O'Fallon**, the **Missouri State Treasurer's Office** and the **Missouri Department of Transportation**, the **State Emergency Management Agency**, **the City of Columbia** and the **Division of Fire Safety** have stated the proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations.

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE FUND				
Revenue Reduction - Section 68.075 - State tax withholding diverted into Port Authority AIM Zone Fund - p. 5 & 6	$0	$0	$0	$0 or (Unknown)
Revenue Gain - DOR 1% Collection Fee - Various Local Tax Initiatives p. 6 - 8 & 8 - 17	$0	$0 up to $109,909	$0 up to $119,569	$0 up to $121,960
Revenue Reduction - Section 135.180 - Community Land Trust Tax Credit p. 21 - 23	$0	Up to ($100,000)	Up to ($100,000)	Up to ($100,000)
Revenue Reduction - Section 135.325, 135.326, 135.327, 135.335 & 135.800 - Adoption Tax Credit p. 24 - 27	$0	$0 up to ($1,892,000)	$0 up to ($1,892,000)	$0 up to ($1,892,000)
Revenue Reduction - Section 144.016 - Feminine Hygiene Products Sales Tax Exemption p. 46 - 49	($2,212,790) to ($3,161,129)	($2,950,387) to ($4,214,838)	($3,009,395) to ($4,299,135)	($3,069,583) to ($4,385,117)

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
Cost - Section 163.011 - Increased Call to the Foundation Formula p. 52	$0	$0 to Could exceed ($2,093,973)	$0 to Could exceed ($2,093,973)	$0 to Could exceed ($2,093,973)
Cost - Section 163.024 - Increased Call to Foundation Formula in the Increase in Specific Fine Revenue is Not Included in the Calculation of Local Effort p. 52 - 53	$0 or up to ($400,000)	$0 or up to ($400,000)	$0 or up to ($400,000)	$0 or up to ($400,000)
Revenue Reduction - Section 620.2250 - T.I.M.E. Zone - Loss of State Withholding p. 53 - 54	$0 or ($5,000,000)	$0 or ($5,000,000)	$0 or ($5,000,000)	$0 or ($5,000,000)
Cost - DED - Administration of Section 620.2250 p. 54	$0 or...	$0 or...	$0 or...	$0 or...
Personnel Services	($43,173)	($52,326)	($52,849)	($53,906)
Fringe Benefits	($23,938)	($28,897)	($29,071)	($29,652)
Equipment and Expense	($13,693)	($5,678)	($5,818)	($5,934)
Total Cost - DED	($80,804)	($86,901)	($87,738)	($89,492)
FTE Change - DED	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
Revenue Reduction - Section 620.3210 - Capitol Complex Tax Credit p. 54 - 59	Up to ($10,000,000)	Up to ($10,000,000)	Up to ($10,000,000)	Up to ($10,000,000)
Revenue Reduction - Section 99.720 - Tax Credit for Purchase of Certain Properties p. 17 - 19	Less than or greater than ($9,575,000)	Less than or greater than ($9,575,000)	Less than or greater than ($9,575,000)	Less than or greater than ($9,575,000)
Revenue Reduction - Section 135.305 - Extension of Wood Energy Tax Credit p 23 - 24	($1,500,000) up to ($6,000,000)	($1,500,000) up to ($6,000,000)	($1,500,000) up to ($6,000,000)	($1,500,000) up to ($6,000,000)
Revenue Reduction - Section 135.390 - Tax Credit for Employers Who Hire the Homeless p. 27 - 30	$0	Up to ($1,000,000)	Up to ($1,000,000)	Up to ($1,000,000)
Revenue Reduction - Section 135.550 - Domestic Violence Tax Credit p. 30 - 32	$0	Up to ($200,000)	Up to ($200,000)	Up to ($200,000)

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
Cost - DSS - Section 135.550 - Domestic Violence Tax Credit p. 31				
Personnel Costs	($18,676)	($37,725)	($38,103)	($38,865)
Fringe Benefits	($11,962)	($24,048)	($24,174)	($24,657)
Equipment and Expense	($12,066)	($10,735)	($11,002)	($11,222)
Total Cost	($42,704)	($72,508)	($73,279)	($74,744)
FTE Change - DSS	1 FTE	1 FTE	1 FTE	1 FTE
Revenue Reduction - Section 135.1300 - Tax Credit for Teachers p. 32 - 33	$0	Less than or greater than ($11,287,500)	Less than or greater than ($11,287,500)	Less than or greater than ($11,287,500)
Revenue Reduction - Section 135.1620 - Tax Credit for the Re-establishment of a Grocery Store in a Food Desert p. 33 -39	Up to ($25,000,000)	Up to ($25,000,000)	Up to ($25,000,000)	Up to ($25,000,000)
Revenue Reduction - Section 143.121 & 143.171 - CARES Act Stimulus Payment Taxability	Up to ($224,800,000)	$0	$0	$0

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
Revenue Reduction - Section 143.1300 - Tax Deduction for Charitable Contributions p. 42 - 45	$0	($2,200,310)	($2,117,279)	($2,202,817)
Cost - DOR - Section 143.1300 - Tax Deduction for Certain Charitable Contributions p. 43				
Personnel Costs	($67,703)	($82,056)	($82,877)	($84,535)
Fringe Benefits	($51,284)	($61,811)	($62,083)	($63,325)
Equipment and Expense	($17,574)	($982)	($1,007)	($1,027)
Total Cost	($136,561)	($144,849)	($145,967)	($148,887)
FTE Change - DOR	2 FTE	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**Up to ($281,035,069)**	**Less than or greater than ($79,157,970)**	**Less than or greater than ($79,152,272)**	**Less than or greater than ($79,327,570)**

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
TIME ZONE FUND				
Revenue Gain - Section 620.2250 - Withholding Tax(es) Retained from New Jobs p. 53 - 54	$0 to $5,000,000	$0 to $5,000,000	$0 to $5,000,000	$0 to $5,000,000
Transfer Out - Section 620.2250 - Withholding(s) Distributed to Local Political Subdivisions p. 53 - 54	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)
ESTIMATED NET EFFECT ON TIME ZONE FUND	**$0**	**$0**	**$0**	**$0**
PORT AUTHORITY AIM ZONE FUND				
Revenue Gain - Transfer In - Section 68.075 - State tax withholding diverted from GR into Port Authority AIM Zone Fund p. 5 - 6	$0	$0	$0	$0 or Unknown

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
PORT AUTHORITY AIM ZONE FUND (continued)				
Revenue Loss - Transfer Out - Section 68.075 - State tax withholding diverted from GR into Port Authority AIM Zone Fund distributed to Port Authorities p. 5 - 6	$0	$0	$0	$0 or (Unknown)
ESTIMATED NET EFFECT ON PORT AUTHORITY AIM ZONE FUND	**$0**	**$0**	**$0**	**$0**

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
CAPITOL COMPLEX FUND				
Revenue Gain - Section 620.3210 - Total value of monetary donations made by donors for 50% tax credit p. 54 - 59	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000
Revenue Reduction/Expense - Section 620.3210 - Revenues used for restoration and maintenance of the buildings of the Capitol Complex p. 54 - 59				
Cost - DED - Section 620.3210 - Administration of tax credit program p. 54 - 55				
Personal Service	$0 to ($43,173)	$0 to ($52,326)	$0 to ($52,849)	$0 to ($53,906)
Fringe Benefits	$0 to ($23,938)	$0 to ($28,897)	$0 to ($29,071)	$0 to ($29,475)
Equipment and Expense	$0 to ($11,215)	$0 to ($2,934)	$0 to ($2,998)	$0 to ($3,058)
Total Cost	$0 to ($78,326)	$0 to ($84,157)	$0 to ($84,918)	$0 to ($86,439)
FTE Change	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
ESTIMATED NET EFFECT ON CAPITOL COMPLEX FUND	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**

FISCAL IMPACT - Local Government	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISIONS				
Revenue Gain - Section 67.1011 - City of Butler Transient Guest Tax p. 3 - 4	$0	$0 to Unknown	$0 to Unknown	$0 to Unknown
Revenue Gain - Section 68.075 - Disbursements to the Port Authority from the Port Authority AIM Zone Fund p. 5 - 6	$0	$0	$0	$0 or Unknown
Revenue Gain - Section 94.842 - Springfield Transient Guest Tax p. 6 - 8	$0	$0 up to $8,800,000	$0 up to $8,976,000	$0 up to $9,155,520
Revenue Gain - Section(s) 94.900 & 94.902 - Cities of Hallsville, Kearney, Smithville, Branson West, Clinton, Cole Camp, Lincoln and Claycomo Public Safety Sales Tax p. 8 - 17	$0	$0 up to $2,169,891	$0 up to $2,951,052	$0 up to $3,010,073

FISCAL IMPACT - Local Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISIONS (continued)				
Income - Section(s) 99.805, 99.810, 99.821, 99.843, 99.846, 99.847 and 99.848 - Tax Increment Financing - various taxing districts allowed to retain a portion of their revenues p. 19 - 21	$0	$0 or Unknown	$0 or Unknown	$0 or Unknown
Income - Section(s) 99.805, 99.810, 99.821, 99.843, 99.846, 99.847 and 99.848 - Tax Increment Financing - City of St. Louis - Strategic Infrastructure for Economic Growth Fund - City allowed to allocate up to 10% of TIF revenues to this fund p. 19 - 21	$0	$0 or Unknown	$0 or Unknown	$0 or Unknown

FISCAL IMPACT - Local Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISIONS (continued)				
Loss - Section(s) 99.805 to 99.848 - TIF -allowed to allocate up to 10% of TIF Revenues to a new fund p. 19 - 21	$0	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Revenue Reduction - Section 137.115 - County Assessors p. 39 - 40	Could exceed ($2,417,979)	Could exceed ($2,397,978)	Could exceed ($3,447,977)	Could exceed ($3,496,976)
Transfer In - Section 620.2250 - Distribution(s) from TIME Zone Fund p. 53 - 54	$0 to $5,000,000	$0 to $5,000,000	$0 to $5,000,000	$0 to $5,000,000
Cost - Section 620.2250 Administration of TIME Zone Developments p. 53 - 54	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**Could exceed ($2,417,979)**	**Up to $8,571,913**	**Up to $8,479,075**	**Up to $8,668,617**

LOCAL EDUCATION AGENCIES				
Transfer Out - Section 160.415 - School Districts - from Kansas City / St. Louis Public Schools to area Charter Schools p. 49 - 51	$0	Could exceed ($32,712,332)	Could exceed ($32,712,332)	Could exceed ($32,712,332)
Transfer In - Section 160.415 - Charter Schools - Local Aid Revenue Received from School Districts p. 49 - 51	$0	Could exceed $32,712,332	Could exceed $32,712,332	Could exceed $32,712,332
Revenue Gain - Section 163.011 - Increase in State Aid through Foundation Formula p. 52	$0	$0 to could exceed $2,093,973	$0 to could exceed $2,093,973	$0 to could exceed $2,093,973
Revenue Gain - Section 163.024 - Increase in State Aid Payments to Impacted School Districts p. 52 - 53	$0 or up to $400,000	$0 or up to $400,000	$0 or up to $400,000	$0 or up to $400,000
ESTIMATED NET EFFECT ON LOCAL EDUCATIONAL AGENCIES	**$0 or up to $400,000**	**$0 to could exceed $2,493,973**	**$0 to could exceed $2,493,973**	**$0 to could exceed $2,493,973**

FISCAL IMPACT - Small Business

Small businesses that qualify for the TIME Zone Development program could be positively impacted.

Small businesses that qualify for the Adoption Tax Credit could be positively impacted.

Small businesses that qualify for the Capitol Complex Tax Credit could be impacted.

Small businesses residing in one of the various local political subdivisions that permit a sales tax increase might be negatively impacted as they would be required to adjust their collection measures to ensure the correct tax is collected and, as a result, increase their administrative costs.

Small businesses that sell feminine hygiene products might be negatively impacted as they would be required to adjusted their collection measures on such items to ensure the correct tax is collected and, as a result, increase their administrative costs.

Small businesses that qualify for the AIM Zone program could be positively impacted.

This proposed legislation could impact any small business that qualifies for the tax credit for the re-establishment of a grocery store in a food desert.

FISCAL DESCRIPTION

This proposed legislation modifies provisions relating to taxation.

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 Administration - Budget & Planning Division
Missouri Department of Revenue
Missouri Department of Health and Senior Services
Missouri Department of Social Services
City of St. Louis
Missouri Department of Economic Development
City of Springfield
St. Louis County

SOURCES OF INFORMATION (continued)

City of Smithville
City of Hallsville
City of Kansas City
Missouri Department of Public Safety - State Emergency Management Agency
Joint Committee on Administrative Rules
Office of the Secretary of State
Missouri Department of Natural Resources
Missouri Department of Commerce and Insurance
Missouri Department of Higher Education and Workforce Development
Missouri Department of Labor and Industrial Relations
Platte County Assessor's Office
Warren County Assessor's Office
Howell County Assessor's Office
Ste. Genevieve County Assessor's Office
Bollinger County Assessor's Office
Missouri Department of Conservation
Department of Elementary and Secondary Education
Office of Administration
Missouri Governor's Office
Missouri Department of Transportation
Missouri State Treasurer's Office
Missouri Attorney General's Office
City of O'Fallon
City of Columbia
Department of Public Safety - Division of Fire Safety

Julie Morff
Director
May 6, 2020

Ross Strope
Assistant Director
May 6, 2020