

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2906S.03I
Bill No.: SB 723
Subject: Office of Administration; Tax Credits
Type: Original
Date: March 30, 2025

Bill Summary: This proposal modifies provisions relating to unused tax credits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 376.975 Health Insurance Pool Tax Credit

Officials from the **Department of Revenue (DOR)** assume this proposal removes the unlimited carry forward period on the Missouri Health Insurance Pool tax credit program. The program ceased operation in 2014. Per the tax credit accountability form filed by the Department of Commerce and Insurance this program still has \$9,335,448 in tax credits that have not been redeemed. DOR is unsure how the department would process a claim for these credits should someone submit a valid tax credit certificate if this language is eliminated. DOR assumes the department can absorb the administrative impact with existing resources.

DOR assumes even if this proposal is put into effect, as long as a valid tax certificate is presented, the department may or may not be required to redeem the credit.

Oversight notes, according to DOR, the last tax credit redeemed was in 2017. For fiscal note purposes, Oversight assumes a \$0 fiscal impact as a result of the removal of the unlimited carry forward period on the Missouri Health Insurance Pool tax credit program.

DOR assumes administrative fiscal impact can be absorbed within existing resources. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Office of Administration** and the **Office of Administration - Budget and Planning** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning
Office of Administration



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Director
March 30, 2025



Jessica Harris
Assistant Director
March 30, 2025