

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2741-01  
BILL NO.: SB 0674  
SUBJECT: Agriculture Department; Llamas  
TYPE: Original  
DATE: December 30, 1999

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$92,391)	(\$110,869)	(\$110,869)
School District Trust	(\$30,797)	(\$36,956)	(\$36,956)
Conservation	(\$3,850)	(\$4,620)	(\$4,620)
Parks and Soils	(\$3,080)	(\$3,696)	(\$3,696)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$130,118)</b>	<b>(\$156,141)</b>	<b>(\$156,141)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>(\$46,195)</b>	<b>(\$55,435)</b>	<b>(\$55,435)</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

ASSUMPTION

The **Department of Revenue (DOR)** and the **Department of Agriculture (AGR)** assume they would not be fiscally impacted by this proposal.

**Oversight** assumes this proposal would allow llamas to be treated as livestock for sales tax purposes. According to the AGR, there are approximately 4,500 llamas in Missouri and llamas eat approximately 15 pounds of food per day. **Oversight** assumes the average cost for a pound of llama feed is \$.125. For purposes of providing a fiscal estimate for this proposal, Oversight used \$.15 per pound of feed to account for other items that would be exempt from state and local sales tax such as feed additives, bedding and medications. Accordingly, Oversight estimated there would be sales of \$3,695,625 per year that would be exempt from state and local sales tax under 144.030 2 (22) RSMo. Oversight assumes this would result in a total loss of state sales tax revenue in the amount of \$156,141. There would also be a loss of sales tax revenue to local governments in the amount of \$55,435 per year.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**GENERAL REVENUE FUND**

<u>Loss - Sales tax exemption</u>	<u>(\$92,391)</u>	<u>(\$110,869)</u>	<u>(\$110,869)</u>
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**SCHOOL DISTRICT TRUST FUND**

<u>Loss - Sales tax exemption</u>	<u>(\$30,797)</u>	<u>(\$36,956)</u>	<u>(\$36,956)</u>
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**CONSERVATION SALES TAX FUND**

<u>Loss - Sales tax exemption</u>	<u>(\$3,850)</u>	<u>(\$4,620)</u>	<u>(\$4,620)</u>
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**PARKS & SOILS TAX FUND**

<u>Loss - Sales tax exemption</u>	<u>(\$3,080)</u>	<u>(\$3,696)</u>	<u>(\$3,696)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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<u>Loss - Sales tax exemption</u>			
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Cities	(\$27,717)	(\$33,261)	(\$33,261)
County Aid Road Trust Fund	<u>(18,478)</u>	<u>(22,174)</u>	<u>(22,174)</u>
	<u><b>(\$46,195)</b></u>	<u><b>(\$55,435)</b></u>	<u><b>(\$55,435)</b></u>

#### FISCAL IMPACT - Small Business

Small businesses that produce and sell llamas could be expected to be fiscally impacted by this proposal. Their production costs could be reduced by the amount of sales tax avoided.

#### DESCRIPTION

This bill adds llamas to the definition of livestock rather than exotic animals.

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 Agriculture  
Department of Revenue



Jeanne Jarrett, CPA  
Director  
December 30, 1999