

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3443-01
BILL NO.: SB 853
SUBJECT: Administration, Office of; Revenue Dept.; Taxation and Revenue-General
TYPE: Original
DATE: February 7, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$25,608)	(\$30,730)	(\$30,730)
Total Estimated Net Effect on <u>All</u> State Funds	(\$25,608)	(\$30,730)	(\$30,730)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration (COA)** state this proposal establishes the Department of Revenue Oversight Board within the Office of Administration. COA staff assumes that all meetings would be held in Jefferson City and that there would be no “reasonable and necessary expenses” for the two members of the Board from the Department of Revenue.

COA staff assume seven traveling members costs would be:

Mileage-estimate 240 miles round trip x 12 meetings x \$0.295 x 7 members = \$5,947
 Lodging-\$75 hotel cost per night x 24 nights (2 nights per meeting) x 7 members = \$12,600
 Meals-\$35 per day x 12 meetings x 2 days per meeting x 9 members = \$7,560. In addition, traveling members would have meal expenses for the evening prior to the meetings-\$22 dinner meal x 12 meetings x 7 members = \$1,848

COA staff also assumes that administrative, copying/printing and communications expenses per member are similar to OA guidelines of \$300 per employee, or \$300 x 9 = \$2,700

In a similar proposal officials of the **Department of Revenue (DOR)** stated this legislation would create a 9 person (7 new individuals) review board for Department of Revenue. Interpretation of this Bill could mean that every decision of the department is subject to hearing, which would require additional attorneys to represent the board, or it could be interpreted to mean that this was simply an oversight board that meets one time per month. This F/N will be prepared on the basis that the board will simply be an oversight board and meet one time per month on premise within Department of Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost to General Revenue Fund</u>			
Department of Revenue Oversight Board Expenses	(\$25,608)	(\$30,730)	(\$30,730)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$25,608)</u>	<u>(\$30,730)</u>	<u>(\$30,730)</u>

L.R. NO. 3443-01
BILL NO. SB 853
PAGE 3 OF 3
February 7, 2000

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill establishes within the Office of Administration a Department of Revenue Oversight Board. Qualifications, terms of office, and board compensation are outlined in the bill. The board must meet at least once per month. Taxpayers and businesses may represent themselves at any board meeting. The board is required to oversee the department's administration, management, conduct, direction, and execution and application of tax law of the state. The department's actions and activity must follow a course acceptable to the board. The board must make decisions that are consistent with statutes and decisions of the courts. All actions of the board must be approved by a simple majority vote. Decisions of the board may be appealed to the Administrative Hearing Commission. Confidential tax information is only available to the board in accordance with state law.

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



Jeanne Jarrett, CPA
Director
February 7, 2000