

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1849-01
Bill No.: SB 460
Subject: Revenue Dept.; Taxation and Revenue - Sales and Use
Type: Original
Date: March 2, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(\$9,008)	(\$12,611)	(\$13,242)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation this legislation is technical cleanup for SB 896, which was passed last year. This legislation revises the exemption for the sale of bullions and investment coins to allow for the exemption from all local sales taxes. DOR assumes there would be no revenue impact or administrative impact to the Department of Revenue because of this legislation.

In the fiscal note for SB 896, **Oversight** assumed, according to the Merchandise Product Lines report from the 1992 Census of Retail Trade, that coins, metals and other numismatic items account for roughly 0.1% of retail sales at jewelry stores. Oversight assumed this would represent coins and gold bullion as defined in this proposal. Also, total sales of jewelry in the United States totaled \$25,872,289,000.

Therefore, assuming that coins and metals sold outside of jewelry stores is proportionate to coins and metals sold within jewelry stores, the total sales of coins and metals in the United States in 1992 is estimated to be \$25,872,289. Assuming that Missouri sales represent 1.9% of this total, \$491,573 of sales in Missouri in 1992 were for coins and metals. Growing the jewelry sales by 5% for all years since 1992, estimated sales in Fiscal Year's 2002, 2003 and 2004 for coins and gold bullion are estimated to be \$800,721, \$840,757 and \$882,794 respectively. This would result in a loss in local sales tax revenue of \$9,008 in FY 2002 (9 months), \$12,611 in FY 2003 and \$13,242 in FY 2004.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (9 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (9 Mo.)	FY 2003	FY 2004
CITIES AND COUNTIES			
Loss-Sales tax exemption for sales of gold bullion and investment coins	(\$9,008)	(\$12,611)	(\$13,242)

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act makes technical clarifications and corrections to the sales and use tax exemption for purchases of bullion and investment coins.

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

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
March 2, 2001