

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2417-01
Bill No.: SB 7
Subject: Revenue Dept.; Taxation and Revenue-Income
Type: Original
Date: September 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$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
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	\$0	\$0	\$0

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 as written will not have any FTE or E&E costs. However the department has reviewed other versions of this language that are more specific by indicating what the taxpayer and the DOR has to specifically do. This proposal simply indicates what should not happen and is not specific. This proposal also focuses on whether the payment is subject to tax, but this is really not the issue--the issue is how the payment affects the FIT deduction.

Officials of the **Office of Administration (COA) - Budget and Planning (BAP)** state this proposal will not allow the credit for the ten percent federal income bracket and federal advance payments to be excluded from Missouri taxable income. The impact of this legislation will be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$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 act adds Section 143.119 in an attempt to prevent the one-time 2001 federal tax rebate check from increasing a taxpayer's Missouri state income tax.

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

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized and cursive.

Jeanne Jarrett, CPA
Director
September 5, 2001