

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3844-01
Bill No.: SB 953
Subject: Taxation and Revenue; Children and Minors.
Type: Original
Date: February 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DOS)** state this bill prohibits the transfer or assignment of adoption tax credits to another person or organization. DOS assumes the legislation may affect the total amount of tax credits granted by the Department of Revenue, but it will have no fiscal impact on DOS.

Officials from the **Department of Revenue (DOR)** state this proposal would have no administrative impact on their agency. DOR states that since tax legislation has a direct impact to the budget, they defer to the Office of Administration - Budget and Planning for a revenue impact estimate.

DOR did, however, state that in FY 2001, there were 238 tax credits approved for the \$2 million annual cap (average of roughly \$8,403 per tax credit). DOR also stated that currently, more tax credits are being submitted by Missouri taxpayers on their tax returns than the allowable \$2 million limit, resulting in some taxpayers not being able to utilize the tax credit in the current fiscal year.

Officials from the **Office of Administration - Budget and Planning** defer to the agency or agencies who administer this credit. This bill would have no impact on the Office of Administration.

Officials from the **Office of the Secretary of State** and the **Department of Insurance** each assume this proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal would not change the annual \$2 million cap allowed for in Section 135.327.3 which states "The cumulative amount of tax credits which may be claimed by taxpayers for nonrecurring adoption expenses in any one fiscal year shall not exceed two million dollars." Oversight has no information regarding the number of tax credits that are either assigned, transferred or sold. Therefore, Oversight assumes this proposal would not fiscally impact the revenues of the state.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact small businesses that either purchase adoption tax credits or are issued tax credits for providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child.

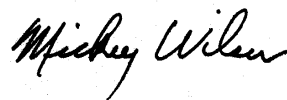
DESCRIPTION

This proposal repeals the transferability of the adoption tax credit and provisions related thereto.

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 Social Services
Department of Revenue
Office of Administration - Budget and Planning
Department of Insurance
Office of the Secretary of State



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February 11, 2002

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