

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4379-02  
Bill No.: SB 1154  
Subject: Business and Commerce; Taxation & Revenue - General, Sales and Use  
Type: Original  
Date: February 21, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Various State Funds	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 to UNKNOWN</b>	<b>\$0 to UNKNOWN</b>	<b>\$0 to UNKNOWN</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<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 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0 to UNKNOWN</b>	<b>\$0 to UNKNOWN</b>	<b>\$0 to UNKNOWN</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation, as worded, would implement through the General Assembly the simplified sales and use tax administration act (SSTP). DOR assumes this legislation would not fiscally impact their agency, but would have an unknown impact on state revenue.

Officials of the **Office of Administration, Budget and Planning (BAP)** state this bill has no fiscal impact to their agency and DOR is better suited to respond to this proposal.

Officials of the **Office of the Secretary of State (SOS), Division of General Counsel** and the **Department of Highway and Transportation (DHT)** assume this bill creates the Simplified Sales and Use Tax Administration Act. SOS and DHT assume this proposal would have no direct fiscal impact on their agencies.

**Oversight** assumes, for purposes of this fiscal note, this proposal would increase compliance of sales/use tax collections once an agreement is reached with other states. This amount is unknown, as well as when this will occur, therefore Oversight will reflect the revenue impact of this proposal as zero to unknown to various state and local funds.

**This legislation could increase total state revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>VARIOUS STATE FUNDS</b>			
<u>Income -</u>			
Increase in tax compliance	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
<b>TOTAL ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS</b>	<b>\$0 to <u>UNKNOWN</u></b>	<b>\$0 to <u>UNKNOWN</u></b>	<b>\$0 to <u>UNKNOWN</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>VARIOUS LOCAL FUNDS</b>			
	<b>\$0 to <u>UNKNOWN</u></b>	<b>\$0 to <u>UNKNOWN</u></b>	<b>\$0 to <u>UNKNOWN</u></b>

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted only to the extent that the simplified sales and use tax system reduces the cost to comply with Missouri's sales and use tax laws in the future.

DESCRIPTION

This bill creates the Simplified Sales and Use Tax Administration Act. The administration shall consist of five members, one of which will be selected by the Governor, and one selected from each the majority and minority of the House and Senate.

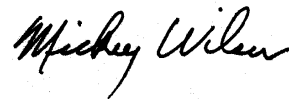
The administration will have the duty of entering into multi-state discussions for the purposes of reviewing and amending a multi-state agreement concerning simplified sales and use tax processes. The administration shall report to the committee charged with reviewing tax issues annually.

The authority of the delegates to review and amend or accept multi-state agreements will have no effect on the laws or obligations of this state. The approval of the General Assembly and the Governor will be required before any law of this state shall be effected by a multi-state agreement.

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  
Secretary of State  
Department of Highway and Transportation  
Office of Administration,  
Budget and Planning



Mickey Wilson, CPA

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