

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0845-01  
Bill No.: HB 296  
Subject: Motor Vehicles; Revenue Dept.; Taxation and Revenue – Sales and Use  
Type: Original  
Date: March 30, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$473,130	\$567,756	\$567,756
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$473,130</b>	<b>\$567,756</b>	<b>\$567,756</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$167,975</b>	<b>\$201,570</b>	<b>\$201,570</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials with the **Department of Insurance, Department of Public Safety – Missouri State Highway Patrol, and Department of Transportation** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume this proposal would require that all persons purchasing ATV's from dealers or private individuals (new or used, regardless of purchase price) to pay sales tax. The proposal would have minimal administrative impact on the DOR.

DOR assumes that in calendar year 2004, 6,719 ATV's were sold by individuals or entities other than dealers, upon which no sales taxes were collected. Assuming an average sales price of \$2,000 and that total sales and sale prices remain relatively stable, DOR estimates an additional \$567,756 in state sales tax and \$201,570 in local sale tax (computed at an average rate of 1.5%) could be collected as a result of this proposal.

**Oversight** assumes that all state sales taxed collected as a result of this proposal would be credited to the General Revenue Fund

ASSUMPTION (continued)

**This proposal could increase Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>GENERAL REVENUE</b>			
<u>Income</u> – Increased Sales Tax Collections on ATV sales	\$473,130	\$567,756	\$567,756
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$473,130</u></b>	<b><u>\$567,756</u></b>	<b><u>\$567,756</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2006 (10 Mo.)	 FY 2007	 FY 2008
<u>Income</u> – Increase Sales Tax Collections on ATV sales	<b><u>\$167,975</u></b>	<b><u>\$201,570</u></b>	<b><u>\$201,570</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

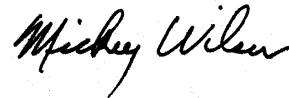
This legislation requires purchasers of new and used all-terrain vehicles from dealers and private individuals to pay sales tax regardless of the purchase price of the ATV.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Insurance  
Department of Public Safety  
    Missouri State Highway Patrol  
Department of Revenue  
Department of Transportation



Mickey Wilson, CPA  
Director  
March 30, 2005