

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1952-01
Bill No.: HJR 22
Subject: Constitutional Amendments; Military Affairs; Property, Real and Personal; State Tax Commission; Taxation and Revenue – Property
Type: Original
Date: April 12, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	(\$38,670)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$38,670)	\$0

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Missouri Veterans Commission and the Office of the Adjutant General** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume that if an active military taxpayer was a small business owner or a farmer, this proposal would exempt his or her business or farm personal property from taxation, while he or she is on active duty. The potential loss of ad valorem tax would be relatively small, and DOR assume no significant shift of tax burden. DOR assumes no fiscal impact to its agency.

Officials with the **State Tax Commission** assume this proposal would have no fiscal impact on its agency, but that it would impact all local political subdivisions, including school districts, creating a loss of property tax revenue.

Office of the Secretary of State (SOS) officials stated that advertisement costs for the proposal would be \$3,867 per column inch for three printings of the text of the proposal, the introduction, fiscal note summary, and affidavit.

ASSUMPTION (continued)

Officials with the **City of Independence** assume it would incur election costs were the proposal not place on a primary or general election date.

Officials the **Jasper County** assume an unknown decrease in property tax revenues, depending the number of residents who are deployed on active military duty. Officials could not estimate whether or not the decrease would be significant.

Officials with **Laclede County** assume that, as a result of this proposal, records would need to be kept of all taxable personal property owned by active duty military personnel, and the total costs to the Assessor's Office related to this proposal would be approximately \$3,000 per year.

Officials with **St. Louis County** assume a minimal property tax revenue loss resulting from the this proposal. Officials further assume a cost of \$25,000 to modify a computer program to track qualified applicants for this exemption, and \$30,000 per year to hire an employee to track and monitor the exemption.

Oversight assumes that local political subdivisions are not currently tracking the amount of personal property owned by active duty military personnel, amount of personal property tax paid by such persons, or the number active duty residents within such subdivisions. **Oversight** also assumes this proposal is subject to statewide voter approval and that all costs to local political subdivisions would be contingent on such a vote.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost</u> – Secretary of State			
Newspaper Advertisements	\$0	(\$38,670)	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$38,670)</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

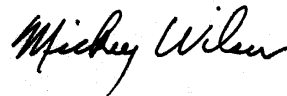
DESCRIPTION

This proposed constitutional amendment exempts, upon voter approval, the personal property of Missouri residents who are on active duty in the United States military from taxation under Article X, Section 6, of the Missouri Constitution.

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

Missouri Veterans Commission
Office of Adjutant General
Department of Revenue
State Tax Commission
Office of Secretary of State
City of Independence
Jasper County
Laclede County
St. Louis County



Mickey Wilson, CPA
Director

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