

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0266-02
Bill No.: HCS for HB 30
Subject: Taxation and Revenue - Property; Taxation and Revenue - Sales and Use; Aircraft and Airports
Type: Original
Date: February 8, 2017

Bill Summary: This proposal would change the laws regarding taxation of aircraft.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Blind Pension Fund	(Unknown but minimal)	(Unknown but minimal)	(Unknown but minimal)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown but minimal)	(Unknown but minimal)	(Unknown but minimal)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** provided the following response to a previous version of this proposal.

Section 137.115, RSMo.

This section would change the allowable flight hours for historical aircraft, and that change could increase the number of aircraft that are eligible for a reduced assessed valuation and lower property tax. Based on information provided by the State Tax Commission, BAP officials assume this change could reduce revenues to the Blind Pension Trust Fund by \$0 to \$500, and could also decrease local revenues by \$0 to \$90,000. BAP officials noted this change could reduce Total State Revenues (TSR) by \$500 and could impact the revenue limit calculation required under the state constitution.

Officials from the **State Tax Commission (TAX)** assume this proposal would have a fiscal impact to local taxing jurisdictions (school districts, cities, counties, etc.) from zero to \$35,000. TAX officials stated they did not have the data as to how many of the 861 aircraft in Missouri would be eligible under the current proposal; however, in 2016 TAX officials calculated the impact of HB 2784, which did not become law but would have changed the maximum permissible hours to two hundred fifty. TAX officials calculated the fiscal impact of that proposal to local taxing jurisdictions as up to \$90,000.

Oversight notes this proposal would change the allowable flight hours from fifty to one hundred and fifty, and assumes the fiscal impact would be significantly less than the proposal in the previous year which would have changed the allowable hours to two hundred fifty.

Officials from the **City of Kansas City** assume their organization would have a slight revenue loss from this proposal.

Oversight notes that this proposal could reduce assessed valuations but does not have any information as to the number of properties which might be changed. Oversight assumes local political subdivisions would realize lower property tax receipts of an unknown amount, and school districts would be most affected. The state Blind Pension fund would also have reduced revenues, but the amount is expected to be minimal.

ASSUMPTION (continued)

Officials from the **Kirkville R-III School District** assumed a previous version of this proposal would have a positive fiscal impact on Missouri public schools.

Officials from the **West Plains School District** assumed this proposal would have a slight reduction in local revenues from this proposal, up to \$10,000.

Officials from the **Joint Committee on Administrative Rules, St. Louis County**, the **Jackson County Election Board**, and the **Plate County Board of Election Commissioners** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Secretary of State**, the **Department of Economic Development - Public Service Commission**, the **Department of Revenue, Callaway County**, and the **Everton School District** assumed a previous version of this proposal would have no fiscal impact on their organizations.

	FY 2018	FY 2019	FY 2020
<u>FISCAL IMPACT - State Government</u>	(10 Mo.)		

BLIND PENSION FUND

Revenue reduction

Assessment changes	(Unknown but <u>minimal</u>)	(Unknown but <u>minimal</u>)	(Unknown but <u>minimal</u>)
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ESTIMATED NET EFFECT ON BLIND PENSION FUND	(Unknown but <u>minimal</u>)	(Unknown but <u>minimal</u>)	(Unknown but <u>minimal</u>)
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	FY 2018 (10 Mo.)	FY 2019	FY 2020
<u>FISCAL IMPACT - Local Government</u>			

LOCAL GOVERNMENTS

Revenue reduction

Assessment changes	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS**

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

A small business which owned or operated an antique aircraft could have a fiscal impact from this proposal.

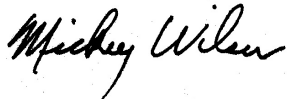
FISCAL DESCRIPTION

This proposal would change the laws regarding taxation of aircraft.

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

Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
Department of Economic Development
 Public Service Commission
Department of Revenue
State Tax Commission
Callaway County
City of Kansas City
Everton School District
Kirksville R-III School District
West Plains School District
Jackson County Election Board
Plate County Board of Election Commissioners



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