

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5458-01  
Bill No.: HB 1831  
Subject: Taxation and Revenue - Sales and Use, Department of Revenue, Taxation and Revenue - General, Business and Commerce  
Type: Original  
Date: January 25, 2018

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Bill Summary: This proposal changes the laws regarding the sales tax holiday that occurs in early August by adding an exemption for disposable diapers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal adds disposable diapers for infants and adults to the Back-to-School sales tax holiday. B&P notes that per DOR's website, disposable diapers are already listed as approved clothing items for the purpose of the sales tax holiday. B&P further notes that the website does not make a distinction between infant and adult diapers. Therefore, B&P estimates that this proposal will not impact Total State Revenue or General Revenue. This proposal will not impact the calculation under Article X, Section 18(e).

Officials at the **Department of Revenue** assume there is no fiscal impact from this proposal.

Officials at **St. Louis County** assume it is too difficult to determine the loss of revenue; however, they anticipate the loss would be minimal.

Officials at the **City of Kansas City** assumes a minimal impact.

Officials at **Boone County** and the **City of Columbia** each assume there is no fiscal impact from this proposal as they opt-out of the local sales tax holiday.

**Oversight** notes that since diapers are already considered an approved clothing item per the Department of Revenue, this proposal would not have any additional fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**FISCAL IMPACT - Small Business**

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

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Boone County  
City of Columbia  
City of Kansas City  
Department of Revenue  
Office of Administration  
    Division of Budget and Planning  
St. Louis County

Ross Strope



Acting Director  
January 25, 2018