

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1701H.02C
Bill No.: HCS for HB Nos. 876, 771, 776 & 551
Subject: Cities, Towns, and Villages; Taxation and Revenue - Sales and Use; Political Subdivisions
Type: Original
Date: March 28, 2023

Bill Summary: This proposal adds cities to the list of cities authorized to impose a public safety sales tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0 to \$8,620	\$0 to \$48,041	\$0 to \$52,561
Total Estimated Net Effect on General Revenue	\$0 to \$8,620	\$0 to \$48,041	\$0 to \$52,561

*Represents the potential 1% Department of Revenue collection fee if voters approve the sales Tax(es).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
City of Smithville	\$0 to \$131,343	\$0 to \$525,370	\$0 to \$525,370
City of Kearney	\$0 to \$187,869	\$0 to \$751,476	\$0 to \$751,476
City of Excelsior Springs	\$0 to \$242,697	\$0 to \$970,788	\$0 to \$970,788
City of Odessa	\$0 to \$70,189	\$0 to \$280,754	\$0 to \$280,754
City of Marshall	\$0 to \$221,326	\$0 to \$885,302	\$0 to \$885,302
City of Cole Camp	\$0	\$0 to \$59,146	\$0 to \$78,861
City of Lincoln	\$0	\$0 to \$41,897	\$0 to \$55,863
City of Branson West	\$0	\$0 to \$446,673	\$0 to \$595,564
City of Clinton	\$0	\$0 to \$794,684	\$0 to \$1,059,579
Local Government	\$0 to \$853,424	\$0 to \$4,756,090	\$0 to \$5,203,557

FISCAL ANALYSIS

ASSUMPTION

Section 94.900 Public Safety Sales Tax

Officials from the **Department of Revenue (DOR)** note this proposal would allow any city with more than ten thousand but fewer than eleven thousand inhabitants and partially located in a county with more than two hundred thirty thousand but fewer than two hundred sixty thousand inhabitants to have a public safety sales tax. DOR believes this would be the Cities of Smithville, Kearney and Excelsior Springs.

This proposal would allow any city with more than four thousand nine hundred but fewer than five thousand six hundred inhabitants and located in a county with more than thirty thousand but fewer than thirty-five thousand inhabitants to have a public safety sales tax. DOR believes this would be the City of Odessa.

This proposal would allow any city with more than twelve thousand five hundred but fewer than fourteen thousand inhabitants and that is the county seat of a county with more than twenty-two thousand but fewer than twenty-five thousand inhabitants to have a public safety sales tax. DOR believes this would be the City of Marshall.

These sales taxes may be imposed in an amount up to one-half of one percent. The tax shall be imposed solely for the purpose of improving public safety. When the Department collects these public safety sales taxes DOR is allowed to retain 1% to reimburse the Department for their collection costs.

CITY OF SMITHVILLE

DOR shows that the **City of Smithville** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$18,671,654	\$22,070,560	\$21,628,460	\$19,691,818	\$82,062,492
2018	\$19,056,529	\$22,849,004	\$22,213,205	\$20,463,774	\$84,582,512
2019	\$19,126,749	\$24,175,713	\$23,189,729	\$22,835,526	\$89,327,717
2020	\$20,837,703	\$27,382,249	\$27,849,623	\$25,989,624	\$102,059,199
2021	\$26,491,251	\$32,417,017	\$31,599,459	\$29,336,717	\$119,844,444
2022	\$24,313,219	\$33,123,490			

Sales Tax only

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR is will assume the one-half of one percent sales tax is adopted. However, for

informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Smithville would collect and the fee retained by DOR as:

Smithville	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$2,550	\$252,485	\$5,101	\$504,970
2025	\$2,601	\$257,534	\$5,203	\$515,069
2026	\$2,653	\$262,685	\$5,307	\$525,370

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Smithville	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$3,902	\$386,302
2026	\$5,307	\$525,370

This is not anticipated to have an administrative impact on the Department.

CITY OF KEARNEY

DOR shows that the **City of Kearney** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$30,965,917	\$33,837,063	\$33,228,851	\$31,556,051	\$129,587,881
2018	\$31,091,023	\$34,389,327	\$33,602,628	\$32,563,846	\$131,646,825
2019	\$30,976,066	\$35,044,505	\$34,102,828	\$34,057,453	\$134,180,852
2020	\$30,907,456	\$35,718,614	\$35,319,113	\$35,342,990	\$137,288,173
2021	\$31,173,262	\$37,716,432	\$37,463,196	\$39,355,323	\$145,708,213
2022	\$35,539,998	\$41,156,739			

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for

informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Kearney would collect and the fee retained by DOR as:

Kearney	1/4 of 1% Tax		1/2 of 1% Tax	
	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$3,647	\$361,095	\$7,295	\$722,191
2025	\$3,720	\$368,317	\$7,441	\$736,634
2026	\$3,795	\$375,684	\$7,590	\$751,367

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Kearney	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$5581	\$552,476
2026	\$7,590	\$751,367

This is not anticipated to have an administrative impact on the Department.

CITY OF EXCELSIOR SPRINGS

DOR shows that the **City of Excelsior Springs** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	38,075,134	41,127,657	40,475,258	40,078,203	159,756,252
2018	41,168,245	45,207,396	45,136,160	46,761,901	178,273,702
2019	39,989,534	44,270,654	43,065,626	44,611,387	171,937,201
2020	40,957,066	45,513,740	46,318,186	46,770,225	179,559,217
2021	43,766,411	47,433,341	48,526,824	50,187,939	189,914,515
2022	45,097,658	53,794,298			

Sales Tax Only

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for

informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Excelsior Springs would collect and the fee retained by DOR as:

Excelsior Springs	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$4,713	\$466,545	\$9,425	\$933,091
2025	\$4,807	\$475,876	\$9,614	\$951,753
2026	\$4,903	\$485,394	\$9,806	\$970,788

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Excelsior Springs	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$7,211	\$713,815
2026	\$9,806	\$970,788

CITY OF ODESSA

DOR shows that the **City of Odessa** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$12,358,315	\$11,844,772	\$11,566,572	\$11,110,913	\$46,880,572
2018	\$11,224,904	\$10,757,700	\$11,851,202	\$13,256,529	\$47,090,335
2019	\$12,109,606	\$12,334,369	\$11,790,871	\$13,249,004	\$49,483,850
2020	\$11,974,919	\$13,349,127	\$13,905,828	\$12,792,668	\$52,022,542
2021	\$12,126,162	\$13,589,582	\$13,022,087	\$13,192,855	\$51,930,685
2022	\$11,879,553	\$13,412,369			

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in

the future, DOR calculated the amount the City of Odessa would collect and the fee retained by DOR as:

Odessa	1/4 of 1% Tax		1/2 of 1% Tax	
	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$1,363	\$134,926	\$2,726	\$269,852
2025	\$1,390	\$137,624	\$2,780	\$275,249
2026	\$1,418	\$140,377	\$2,836	\$280,754

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Odessa	1/2 of 1% Tax	
	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$2,085	\$206,437
2026	\$2,836	\$280,754

CITY OF MARSHALL

DOR shows that the **City of Marshall** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$36,660,520	\$39,254,507	\$37,847,176	\$37,648,613	\$151,410,816
2018	\$36,431,475	\$39,467,674	\$38,902,649	\$39,867,667	\$154,669,465
2019	\$36,048,383	\$39,481,685	\$39,223,501	\$42,644,235	\$157,397,804
2020	\$36,941,416	\$40,003,479	\$40,598,001	\$42,222,222	\$159,765,118
2021	\$41,790,484	\$46,322,527	\$42,520,878	\$46,917,603	\$177,551,491
2022	\$42,490,730	\$46,186,577			

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Marshall would collect and the fee retained by DOR as:

Marshall	1/4 of 1% Tax	1/2 of 1% Tax
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Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$4,298	\$425,462	\$8,595	\$850,924
2025	\$4,384	\$433,971	\$8,767	\$867,943
2026	\$4,471	\$442,651	\$8,942	\$885,302

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Marshall	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$6,575	\$650,957
2026	\$8,942	\$885,302

These public safety sales taxes are not anticipated to have an administrative impact on the Department.

Oversight notes this part of the proposal has an emergency clause. Oversight assumes first election this proposal could be presented to voters is the November 2023 election (according to the Office of the Secretary of State, November 7, 2023 is available for public elections). Therefore, Oversight will show the impact of this proposal possibly beginning in April 2024 (FY 2024).

Oversight will range the fiscal impact from \$0 (not approved by voters) to the estimates calculated by DOR for 3 months in FY 24 and reflect a full year of sales tax revenue for FY 25 and FY 26.

Section 94.902 Clinton, Lincoln & Cole Camp Public Safety Sales Tax

Officials from the **Department of Revenue (DOR)** note this proposal would allow any city with more than one thousand sixty but fewer than one thousand one hundred seventy inhabitants and located in a county with more than nineteen thousand but fewer than twenty-two thousand inhabitants and with a county seat with more than one thousand but fewer than two thousand two hundred twenty inhabitants to have a public safety sales tax. DOR believes this would be the City of Cole Camp and the City of Lincoln.

Additionally, it would allow a city with more than four hundred eighty but fewer than five hundred forty inhabitants and located in a county with more than thirty thousand but fewer than thirty-five thousand inhabitants and with a county seat with more than two hundred but fewer

than nine hundred inhabitants to adopt a public safety sales tax. DOR believes this to be the City of Branson West.

Additionally, it would allow any city with more than nine thousand but fewer than ten thousand inhabitants and that is the county seat of a county with more than nineteen thousand but fewer than twenty-two thousand inhabitants to adopt a public safety sales tax. DOR believes this to be the City of Clinton.

The sales tax may be imposed in an amount up to one-half of one percent. The tax shall be imposed solely for the purpose of improving the public safety.

When the Department collects these public safety sales taxes DOR is allowed to retain 1% to reimburse the Department for their collection costs.

CITY OF COLE CAMP

DOR shows that the **City of Cole Camp** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$3,081,084	\$2,956,959	\$3,249,944	\$3,336,067	\$12,624,054
2018	\$3,278,248	\$3,220,758	\$3,474,064	\$4,684,461	\$14,657,531
2019	\$3,402,802	\$3,687,581	\$3,745,639	\$3,618,415	\$14,454,437
2020	\$3,331,101	\$3,451,596	\$3,915,171	\$3,748,845	\$14,446,713
2021	\$3,601,159	\$3,884,537	\$4,173,028	\$4,255,922	\$15,914,646
2022	\$3,074,242	\$3,849,935			

Source: <http://dor.mo.gov/publicreports/>
Sales Tax only (no
use tax)
DOR reports are generated by calendar year not fiscal
year
City of Cole Camp Taxable Sales Report Data

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Cole Camp would collect and the fee retained by DOR as:

Cole Camp	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$383	\$37,899	\$766	\$75,799

2025	\$390	\$38,657	\$781	\$77,315
2026	\$398	\$39,431	\$797	\$78,861

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Cole Camp	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$586	\$57,986
2026	\$797	\$78,861

CITY OF LINCOLN

DOR shows that the **City of Lincoln** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$2,177,513	\$2,602,875	\$2,547,296	\$2,120,049	\$9,447,734
2018	\$2,444,106	\$2,542,249	\$2,617,362	\$2,318,717	\$9,922,434
2019	\$2,031,857	\$2,243,606	\$2,706,418	\$2,367,247	\$9,349,128
2020	\$2,210,290	\$2,737,197	\$2,871,955	\$2,513,477	\$10,332,919
2021	\$2,579,066	\$2,987,493	\$3,161,798	\$2,625,409	\$11,353,766
2022	\$2,345,952	\$3,146,216			

Source: <http://dor.mo.gov/publicreports/>

Sales Tax only (no
use tax)

DOR reports are generated by calendar year not fiscal year

City of Lincoln Taxable Sales Report Data

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Lincoln would collect and the fee retained by DOR as:

Lincoln	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$271	\$26,847	\$542	\$53,694
2025	\$277	\$27,384	\$553	\$54,768
2026	\$282	\$27,931	\$564	\$55,863

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Lincoln	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$415	\$41,076
2026	\$564	\$55,863

CITY OF BRANSON WEST

DOR shows that the **City of Branson West** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$18,850,783	\$25,742,289	\$26,723,871	\$22,779,379	\$94,096,322
2018	\$19,229,746	\$26,277,102	\$27,300,134	\$24,081,341	\$96,888,323
2019	\$19,672,156	\$27,420,436	\$29,729,276	\$27,350,166	\$104,172,034
2020	\$22,651,716	\$29,242,763	\$29,792,719	\$26,205,570	\$107,892,768
2021	\$28,380,778	\$36,188,981	\$34,472,066	\$32,759,586	\$131,801,411
2022	\$29,605,301	\$39,031,409			\$68,636,710

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Branson West would collect and the fee retained by DOR as:

Branson West	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$2,949	\$291,943	\$5,782	\$572,438
2025	\$3,008	\$297,782	\$5,898	\$583,887
2026	\$3,068	\$303,738	\$6,016	\$595,564

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Branson West	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$4,424	\$437,915
2026	\$6,016	\$595,564

CITY OF CLINTON

DOR shows that the **City of Clinton** has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$40,038,915	\$47,066,194	\$45,477,582	\$43,884,475	\$176,467,167
2018	\$40,961,939	\$47,940,212	\$46,462,280	\$46,505,858	\$181,870,288
2019	\$41,412,692	\$48,554,205	\$48,146,261	\$47,602,031	\$185,715,189
2020	\$42,901,586	\$51,426,027	\$50,786,586	\$49,145,326	\$194,259,525
2021	\$49,010,609	\$56,090,839	\$53,966,363	\$54,513,783	\$213,581,594
2022	\$47,880,699	\$57,433,067			

Source: <http://dor.mo.gov/publicreports/>

Sales Tax only (no use tax)

DOR reports are generated by calendar year not fiscal year

City of Clinton Taxable Sales Report Data

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser

amount than the full one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Clinton would collect and the fee retained by DOR as:

Clinton	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2024	\$5,144	\$509,217	\$10,287	\$1,018,434
2025	\$5,246	\$519,401	\$10,493	\$1,038,803
2026	\$5,351	\$529,789	\$10,703	\$1,059,579

DOR notes that this proposal would become effective on August 28, 2023 and the first election this issue could be presented to the voters would be the April 2024 general election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2024 (FY 2025) if adopted by the voters. Therefore the impact in FY 2025 would be for 9 months.

Clinton	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2024	\$0	\$0
2025	\$7,870	\$779,102
2026	\$10,703	\$1,059,579

This proposal is not expected to have an administrative impact on the Department.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the local governments for the fiscal impact. DOR's retained collection fee will increase TSR because DOR will be able to collect its 1% administration fee for handling the collection of the tax.

For the cities impacted by Section 94.902, **Oversight** will range the fiscal impact from \$0 (not approved by voters) to the estimates calculated by DOR for 9 months in FY 25 and reflect a full year of sales tax revenue for FY 26 in this proposal.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Additional Revenue - DOR - '94.900 -</u> 1% DOR Collection fee p. (3-8)	\$0 to \$8,620	\$0 to \$34,481	\$0 to \$34,481
<u>Additional Revenue - DOR - '94.902 -</u> 1% DOR Collection fee p. (8-13)	<u>\$0</u>	<u>\$0 to \$13,560</u>	<u>\$0 to \$18,080</u>
ESTIMATED NET EFFECT ON GENERAL REVENUES	<u>\$0 to \$8,620</u>	<u>\$0 to \$48,041</u>	<u>\$0 to \$52,561</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
CITY OF SMITHVILLE			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.900 p. (3-4)	<u>\$0 to \$131,343</u>	<u>\$0 to \$525,370</u>	<u>\$0 to \$525,370</u>
ESTIMATED NET EFFECT ON CITY OF SMITHVILLE	<u>\$0 to \$131,343</u>	<u>\$0 to \$525,370</u>	<u>\$0 to \$525,370</u>
CITY OF KEARNEY			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.900 p. (4-5)	<u>\$0 to 187,869</u>	<u>\$0 to \$751,476</u>	<u>\$0 to \$751,476</u>
ESTIMATED NET EFFECT ON CITY OF KEARNEY	<u>\$0 to 187,869</u>	<u>\$0 to \$751,476</u>	<u>\$0 to \$751,476</u>
CITY OF EXCELSIOR SPRINGS			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.900 p. (5-6)	<u>\$0 to \$242,697</u>	<u>\$0 to \$970,788</u>	<u>\$0 to \$970,788</u>
ESTIMATED NET EFFECT ON CITY OF EXCELSIOR SPRINGS	<u>\$0 to \$242,697</u>	<u>\$0 to \$970,788</u>	<u>\$0 to \$970,788</u>
CITY OF ODESSA			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.900 p. (6-7)	<u>\$0 to \$70,189</u>	<u>\$0 to \$280,754</u>	<u>\$0 to \$280,754</u>
ESTIMATED NET EFFECT ON CITY OF ODESSA	<u>\$0 to \$70,189</u>	<u>\$0 to \$280,754</u>	<u>\$0 to \$280,754</u>

CITY OF MARSHALL			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.900 p. (7-8)	<u>\$0 to \$221,326</u>	<u>\$0 to \$885,302</u>	<u>\$0 to \$885,302</u>
ESTIMATED NET EFFECT ON CITY OF MARSHALL	<u>\$0 to \$221,326</u>	<u>\$0 to \$885,302</u>	<u>\$0 to \$885,302</u>
CITY OF COLE CAMP			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.902 p. (9-10)	<u>\$0</u>	<u>\$0 to \$59,146</u>	<u>\$0 to \$78,861</u>
ESTIMATED NET EFFECT ON CITY OF COLE CAMP	<u>\$0</u>	<u>\$0 to \$59,146</u>	<u>\$0 to \$78,861</u>
CITY OF LINCOLN			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.902 p. (10-11)	<u>\$0</u>	<u>\$0 to \$41,897</u>	<u>\$0 to \$55,863</u>
ESTIMATED NET EFFECT ON CITY OF LINCOLN	<u>\$0</u>	<u>\$0 to \$41,897</u>	<u>\$0 to \$55,863</u>
CITY OF BRANSON WEST			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.902 p. (11-12)	<u>\$0</u>	<u>\$0 to \$446,673</u>	<u>\$0 to \$595,564</u>
ESTIMATED NET EFFECT ON CITY OF BRANSON WEST	<u>\$0</u>	<u>\$0 to \$446,673</u>	<u>\$0 to \$595,564</u>
CITY OF CLINTON			
<u>Additional Revenues</u> - additional sales tax for Public Safety - '94.902 p. (12-13)	<u>\$0</u>	<u>\$0 to \$794,684</u>	<u>\$0 to \$1,059,579</u>
ESTIMATED NET EFFECT ON CITY OF CLINTON	<u>\$0</u>	<u>\$0 to \$794,684</u>	<u>\$0 to \$1,059,579</u>

<u>FISCAL IMPACT – Local Government</u> <u>(continued)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 to</u> <u>\$4,755,981</u>	<u>\$0 to</u> <u>\$5,203,557</u>

FISCAL IMPACT – Small Business

Small businesses in Smithville, Kearney, Excelsior Springs, Odessa, Marshall, Clinton, Lincoln, Cole Camp, and Branson West that either collect and/or pay sales taxes could be impacted by this proposal.

FISCAL DESCRIPTION

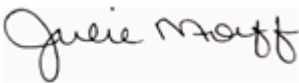
This bill allows a city with more than 10,000 but fewer than 11,000 inhabitants, and partially located in a county with more than 230,000 but fewer than 260,000 inhabitants, to impose, by ordinance or order, a sales tax in the amount of up to 0.5% on all retail sales for the purpose of improving public safety. Upon enactment, this applies to the city of Smithville.

This proposal contains an emergency clause for section 94.900.

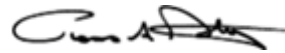
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Department of Revenue



Julie Morff
Director
March 28, 2023



Ross Strobe
Assistant Director
March 28, 2023