

Fiscal Note Request HB477, As Introduced

(continued)

the Department of Revenue. The department would redistribute this revenue to the other 49 counties and cities and towns in them in proportion to population.

7. The impact to state revenues would come in the form of non-levy revenue. Non-levy revenues are revenues that are not directly produced by mill levies but are distributed to taxing jurisdiction based on the proportion of the taxing jurisdiction's mill levies to the total of all mill levies of all taxing jurisdictions where the non-levy revenue was produced. An example of a non-levy revenue source is oil and gas production tax. The state general fund would gain in non-levy revenue by counties and cities reducing their property tax mill levies. If all jurisdictions adopted a 3% sales tax and appropriately lowered their property tax, it is estimated that the state general fund non-levy revenue would increase approximately \$60,000. This estimate is if *all* jurisdictions implement the *maximum* rate of 4%. The actual increase in non-levy revenue would be dependent on how many of the eligible jurisdictions choose to implement the tax, when the jurisdictions implement the tax, where these jurisdictions are, what tax rate is chosen, and what the base of the tax will be.
8. The Department of Revenue would need an additional 0.5 FTE beginning January 1, 2004 to monitor and verify amounts sent to the department for redistribution and calculate the amounts to be distributed to counties, cities, and towns. Personnel costs would be \$9962 in fiscal 2004 and \$19,772 in fiscal 2005. Equipment costs would be \$5,800 in fiscal 2004. Operating costs would be \$1,472 in fiscal 2004 and \$2,979 in fiscal 2005.

FISCAL IMPACT:

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
FTE	.50	.50

Expenditures:

Personal Services	\$9,962	\$19,772
Operating Expenses	\$1,472	\$2,979
Equipment	<u>\$5,800</u>	
TOTAL	\$17,233	\$22,751

Funding of Expenditures:

General Fund (01)	\$17,233	\$22,751
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$(17,233)	\$(22,751)
State Special Revenue (02)		
Federal Special Revenue (03)		
Other		

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

See assumptions 1-7.