



**Fiscal Estimate Narratives**

**DHFS 7/11/2005**

LRB Number <b>05-3022/1</b>	Introduction Number <b>AB-508</b>	Estimate Type <b>Original</b>
<b>Subject</b> Gross receipts tax on large retail businesses		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill imposes a tax on the gross receipts of large retailers, to be administered by the Department of Revenue (DOR) beginning on January 1, 2006. Revenues received as a result of the tax would be deposited in the Medical Assistance (MA) trust fund. Please see the fiscal estimate to be prepared by the DOR for an analysis of the additional tax revenue that would be generated under the bill.

Any revenues deposited into the MA trust fund would create a potential funding source to replace GPR funding in MA. However, the bill does not adjust GPR appropriations for MA. Also, the bill does not increase SEG expenditure authority for the MA trust fund to enable the Department to spend the additional revenue.

It is unlikely the bill would create any additional costs for the Department of Health and Family Services. This bill would not have any fiscal impact on local levels of government.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-3022/1		<b>Introduction Number</b> AB-508	
<b>Subject</b>			
Gross receipts tax on large retail businesses			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		0	
FED		0	
PRO/PRS		0	
SEG/SEG-S		0	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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