

Small Business Regulatory Fairness Board

Small Business Impact Statement

Date: August 12, 2021

Rule Number: 12 CSR 10-114.100

Name of Agency Preparing Statement: Department of Revenue

Name of Person Preparing Statement: Jeani Hancock

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Name of Person Approving Statement: Zach Wyatt

Please describe the methods your agency considered or used to reduce the impact on small businesses *(examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).*

This bill is being updated to conform to the changes made by SB 153 adopted in 2021. We are unable to make changes to the rule that would change the burden they may expect from SB 153.

Please explain how your agency has involved small businesses in the development of the proposed rule.

We have not included small businesses as this rule is being updated to conform to the changes made by SB 153 adopted in 2021. Small businesses however were given the opportunity to testify at the multiple hearings conducted on SB 153.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

The Department is unable to predict how many businesses are already filing this use tax and how many additional businesses will be required to file. However, for fiscal note purposes, the Department estimated that in the first year the Department would bring in an additional \$11,731,702 to \$170,701,213 in use tax revenue.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

This rule is designed to help a business determine if they have economic nexus with Missouri. Determining nexus would not have a fiscal impact on a business. When economic nexus is determined, how much to collect from customers and how to remit it may have a fiscal impact, which would be covered under another rule.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

This is not estimated to have a cost associated with compliance.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

All types of businesses will be able to use the rule to help determine if they meet the definition of nexus with the state of Missouri. It will not cost them anything to determine nexus. If nexus is determined then complying with the collection and remittance rules may have an impact.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No__X__

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.