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Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2019

Report No. 2020-035

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Conclusions in the review of Article X, Sections 16 through 24

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Mathematical formulas are used by the Office of Administration, Division of Budget and Planning (OA-BP) to determine the relevant threshold amounts each year.

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2019 was \$105 million.

Fiscal Year 2019 Conclusions

For the year ended June 30, 2019, total state revenue was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Because of the nature of this review, no rating is provided.

Review of Article X, Sections 16 Through 24, Constitution of Missouri

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor

and

Members of the General Assembly

and

Sarah H. Steelman, Commissioner

Office of Administration

Jefferson City, Missouri

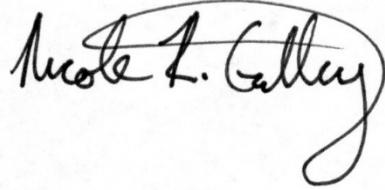
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2019, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2018. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formulas to calculate the state's revenue limits.
2. Determine the specific items included in total state revenue.
3. Verify the accuracy of the revenue limit computations and compare the limits to total state revenue and projected tax and fee increases from legislative actions.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, appearing to read "Nicole R. Galloway". The signature is fluid and cursive, with a large, stylized 'G' at the beginning.

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State Auditor

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Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

Total State Revenue (TSR) Section 18(a-d)

The amendment, commonly referred to as the Hancock Amendment, limits annual state revenues, and tax and fee increases.

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2019, total state revenue (TSR) was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.9 billion to \$4.5 billion.

Tax and fee increases Section 18(e)

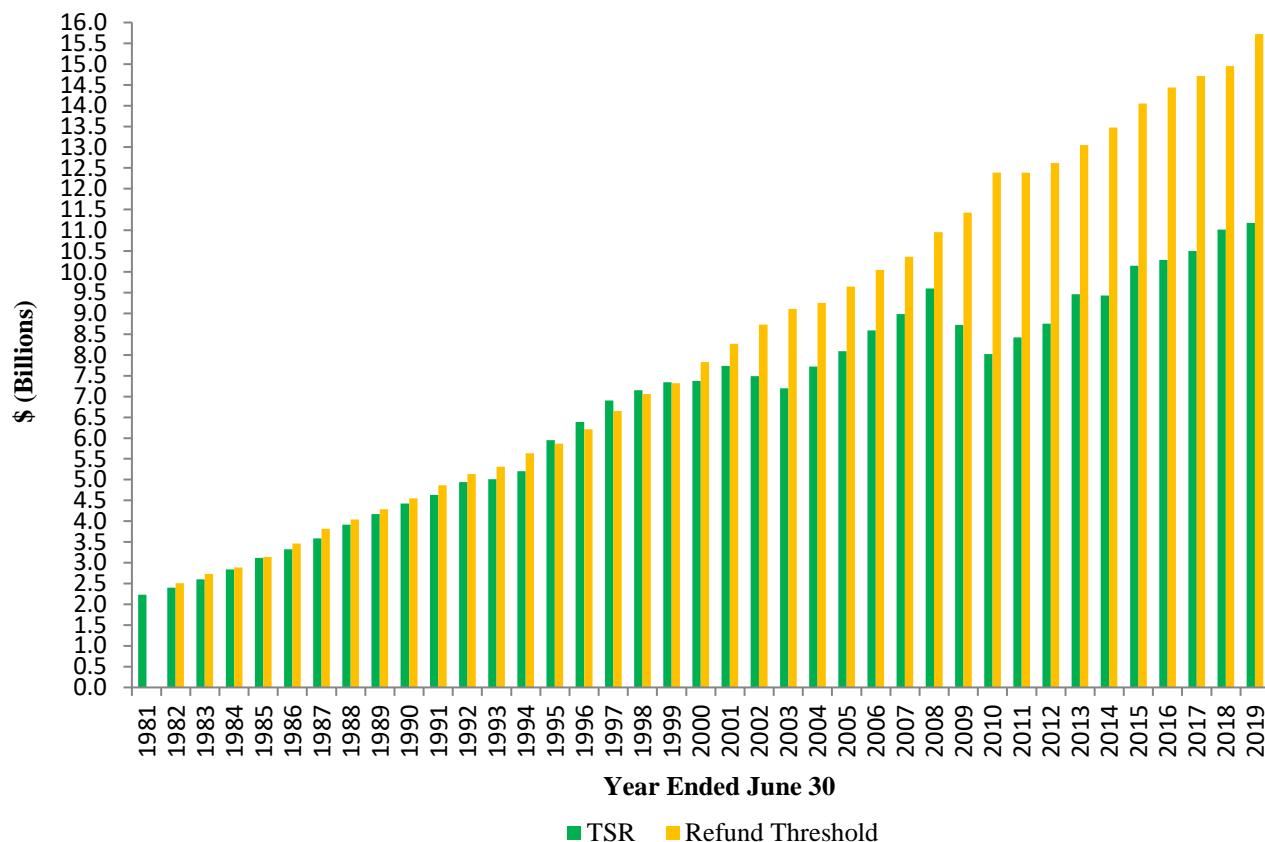
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2019, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

A bar graph of TSR compared to the refund threshold follows:

Review of Article X, Sections 16 through 24,
Constitution of Missouri
Graph of Total State Revenue Versus Refund Threshold



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment is commonly referred to as the Hancock Amendment.

This review addresses the components of the amendment that relate to state revenues, primarily the requirements outlined in Section 18(a-d) which limit annual state revenues and Section 18(e) which limits tax and fee increases.

Total State Revenue Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires annual total state revenue limits. The amendment limits the amount of personal income that may be used to fund state government to no greater than the portion used to do so in 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

The Office of Administration, Division of Budget and Planning (OA-BP) calculates annual total state revenue (TSR), revenue limits, refund thresholds, and refund amounts.

Calculation

The following table summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2019.

	Year Ended June 30,				
	2015	2016	2017	2018	2019
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 25,845.98	26,737.22	27,249.91	28,525.80	28,560.83
Less excluded revenue	(14,442.15)	(15,019.33)	(15,326.03)	(16,087.60)	(16,042.97)
Less expenditure refunds	(1,278.49)	(1,459.78)	(1,474.61)	(1,480.78)	(1,391.94)
Add refundable tax credits	24.22	29.83	53.62	56.15	56.11
TSR	\$ 10,149.56	10,287.94	10,502.89	11,013.57	11,182.03
Missouri personal income (MPI)	\$ 245,771.39	252,482.44	257,338.33	261,547.77	274,975.80
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	13,860.28	14,238.75	14,512.60	14,749.99	15,507.26
Judicial article amendment	52.42	52.70	53.75	55.90	56.46
Revenue limit	13,912.70	14,291.45	14,566.35	14,805.89	15,563.72
1 percent adjustment	139.13	142.91	145.66	148.05	155.64
Refund threshold	\$ 14,051.83	14,434.36	14,712.01	14,953.94	15,719.36
TSR	\$ 10,149.56	10,287.94	10,502.89	11,013.57	11,182.03
Less refund threshold	\$ 14,051.83	14,434.36	14,712.01	14,953.94	15,719.36
Over (under) threshold	(3,902.27)	(4,146.42)	(4,209.12)	(3,940.37)	(4,537.33)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

The calculation shows for the year ended June 30, 2019, TSR was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

The OA-BP calculated the 1981 base year ratio of personal income to TSR as 5.6 percent, and uses this ratio to calculate the annual revenue limit.

Section 18(a) establishes the revenue limit formula as follows:

$$\text{Revenue limit for fiscal year (FY) 20XX} = \frac{\text{Total state revenue (TSR) in FY 1981}}{\text{CY 1979 Missouri personal income (MPI)}} \times \text{The greater of MPI in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for 3 CYs preceding FY 20XX.}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) sets the revenue limit to ensure no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment.

The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC). The OA-BP uses the MPI first officially published by the DOC after the close of the calendar year to calculate the revenue limit for the applicable fiscal year. The OA-BP does not adjust the MPI used in the BYR or the second part of the formula for subsequent adjustments to the MPI by the DOC. Section 17(2) refers to "... total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests the revenue limit should be recalculated each time the MPI is adjusted by the DOC. For example, the BYR would be adjusted whenever the CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI provides at least two benefits. First, by having a consistent and unchanging BYR, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable if it is followed consistently.



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$ 2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2019 revenue limit calculation, the OA-BP used the CY 2017 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, "[i]f responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

TSR

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and received by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds; Department of



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

Revenue local sales and use tax fund collections; various funds held in trust for inmates, patients, etc.; and funds of various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 8 funds are entirely excluded and 26 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2019, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

A 1996 amendment added Section 18(e) to the Hancock Amendment, which imposes an additional revenue limit on tax and fee increases.

Section 18(e) states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less. Sections 18(e) and 23 provide any taxpayer can bring suit in a court of law to enforce the provisions of the Hancock Amendment.

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases for each legislative session.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2019.



Review of Article X, Sections 16 Through 24,
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Background, Methodology, and Conclusions

	Year Ended June 30,				
	2015	2016	2017	2018	2019
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	\$ (20,823,150)		Up to 127,712,253	2,272,090	At least (41,321,078) (61,210,754)
REVENUE LIMIT					
By MPI growth	\$ 115,701,458		117,529,541	120,291,485	123,479,209 128,134,375
By 1 percent of TSR	\$ 94,623,204		94,283,895	101,495,508	102,879,357 105,028,851
Revenue limit (lesser amount)	\$ 94,623,204		94,283,895	101,495,508	102,879,357 105,028,851
DIFFERENCE					
Over (under) limit	\$ N/A		Up to 33,428,358	(99,223,418)	N/A N/A

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.

N/A For fiscal years 2015, 2018, and 2019, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2019, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. As noted in the Legislative actions section, the projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

Revenue limit formula

Section 18(e) establishes the revenue limit as the lesser of (1) \$50 million adjusted annually by the percentage change in MPI for the second previous year, or (2) 1 percent of TSR for the second fiscal year prior to the legislative session.

For fiscal year 2019, the OA-BP calculated the MPI growth limit at \$128.1 million by multiplying the fiscal year 2018 MPI growth limit (\$123.5 million) by the percentage change in the MPI for fiscal year 2017 (3.77 percent). The OA-BP calculated the TSR limit at \$105 million by multiplying the fiscal year 2017 TSR (\$10.5 billion) by 1 percent. The revenue limit was established at the lesser of these amounts, or the TSR limit of \$105 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section 18(e), the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount.



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

The OA-BP determines estimated Section 18(e) fiscal impact amounts by compiling information and amounts in fiscal notes for each bill. The fiscal notes are prepared by the Oversight Division with input from state agencies and local political subdivisions. In accordance with Section 18(e), the OA-BP compiles an amount for the first fiscal year the bill is fully effective. For most bills with Section 18(e) fiscal impact, the OA-BP determines an increase or decrease amount based on information in the fiscal note. For some bills, the fiscal note indicates the fiscal impact is "unknown." Accordingly, the OA-BP lists "unknown," rather than a dollar amount, in the legislative actions spreadsheet for these bills. OA-BP personnel indicated they did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The legislative actions spreadsheet contains a net total tax and fee increase/decrease for all bills combined. That information is compared to the calculated revenue limit to determine potential Section 18(e) compliance. The netting of the tax and fee increases and decreases is reasonable and in compliance with the amendment language.

The OA-BP legislative actions spreadsheet for the fiscal year 2019 legislative session included 71 bills, 22 of which the OA-BP determined had potential Section 18(e) fiscal impact. For 4 of these bills the Section 18(e) fiscal impact could not be projected.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2019 legislative session, actual compliance can be measured after each 2019 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court has original jurisdiction. In such enforcement actions, the court will invalidate the taxes and fees that should have received a public vote. The court will order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2019, TSR was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2019, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Appendix A

Review of Article X, Sections 16 Through 24,

Constitution of Missouri

Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	2015	2016	2017	Year Ended June 30, 2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1003	(8) Parks sales and use tax	44,211,573	46,171,505	46,830,973	47,830,741	48,374,039
1005	(7) Soil and water sales and use tax	44,211,575	46,171,508	46,830,977	47,830,649	48,373,824
1007	General revenue reimbursements - local sales and use tax	2,749,261	2,228,574	2,664,200	2,730,254	3,019,051
1009	(24) Motor vehicle sales tax - Amendment 3	287,525,910	300,926,757	317,332,358	322,920,915	314,346,167
1009	Motor vehicle sales tax	5,060,318	4,722,745	5,401,164	5,203,111	6,050,460
1011	(16) Conservation sales and use tax	110,528,741	115,429,774	117,077,413	119,568,141	120,934,964
1013	(2) Proposition C sales and use tax	868,206,165	906,517,715	918,927,877	938,175,451	949,839,137
1015	Sales and use taxes paid under protest	252,144	248,449	1,079,334	36,894	7,580
1016	(26) Suspense holding	-	-	-	58,298	40,014
1022	Individual income tax	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494
1024	Individual income taxes paid under protest	6,927	-	-	-	-
1026	Corporate income tax	525,403,403	466,496,555	432,357,927	459,482,248	524,941,269
1028	Corporate income taxes paid under protest	1,155,831	-	-	-	-
1033	County foreign insurance tax	239,393,674	247,446,081	280,592,925	310,095,430	293,426,981
1037	Worker's compensation insurance tax	17,199,724	17,156,163	16,720,052	17,416,920	16,976,319
1039	Worker's compensation insurance tax - second injury	90,502,981	106,107,160	101,791,431	102,703,123	99,505,372
1041	Excess lines of insurance tax	29,713,178	30,024,860	33,455,598	34,308,445	35,890,349
1049	Heavy beer tax	7,708,889	7,798,378	7,666,892	7,437,210	7,517,441
1053	Liquor tax	22,476,067	22,844,443	24,012,395	25,088,295	25,892,501
1055	Wine tax	6,023,763	6,205,469	6,184,019	6,405,925	6,317,328
1057	Cigarette tax	81,745,445	83,685,975	79,873,777	75,939,169	72,927,231
1059	Tobacco product tax	17,691,619	19,434,019	20,516,652	21,468,711	21,938,400
1060	(24) Motor vehicle fuel tax - Amendment 3	146,461,013	153,104,463	152,531,806	154,945,469	152,388,593
1060	(3) Motor vehicle fuel tax	165,022,444	172,484,819	171,758,978	174,486,338	171,609,379
1060	Motor vehicle fuel tax	393,296,159	400,332,970	410,393,007	399,068,251	412,515,607
1062	(24) Special fuel non-gas tax - Amendment 3	128,680	108,038	109,013	124,213	111,570
1062	Special fuel non-gas tax	566,554	944,100	502,526	295,570	376,208
1064	Aviation fuel tax	252,969	257,088	257,653	258,963	259,216
1070	Corporation franchise tax	32,211,295	19,512,409	2,743,150	2,240,048	1,614,811
1073	Estate tax	92,215	56,183	55,785	54,413	7,631
1074	(12) Bingo tax	1,770,286	1,705,122	1,751,736	1,452,759	1,533,143
1076	(13) Gaming commission gross receipts tax	320,386,965	323,585,514	324,262,046	328,396,438	327,393,773
1080	Real and personal property tax	27,568,831	28,189,016	28,830,339	29,703,452	31,102,787
1082	Delinquent real and personal property tax	2,696,733	2,702,974	2,811,753	3,562,473	2,918,029
1084	Hazardous waste fees	2,321,743	2,331,512	2,721,071	2,875,184	2,834,576
1086	Miscellaneous taxes protested	536	-	-	-	-
1088	Nursing facility reimbursement allowance	18,022,997	20,891,666	19,522,237	18,238,114	17,955,464
1089	Pharmacy reimbursement allowance	87,807,243	95,736,817	87,380,822	108,168,401	93,338,044
1090	Federal reimbursement allowance	15,380,839	15,806,286	15,567,989	26,077,730	21,750,434
1093	Athletic events tax	129,711	154,464	232,140	111,792	109,556
1094	Ambulance service reimbursement allowance	7,894,871	7,863,496	9,781,742	11,366,127	10,637,791
1095	Surcharges	140,769	132,698	105,605	14,729	-
1097	Agency collected sales taxes	214,314	216,632	204,114	218,335	217,485
1098	Telecommunications tax	28	-	7,512,046	-	-
1099	Other taxes	44,349	91,624	77,086	75,374	55,328
1100	Professional licenses or permits	29,225,729	26,707,324	28,140,106	24,242,068	30,634,356
1102	Recreational licenses or permits	5,927,972	6,324,511	6,977,269	7,109,470	7,047,875
1106	(24) Motor vehicle licenses or permits - Amendment 3	54,865,114	55,461,349	56,738,706	57,150,515	55,843,654
1106	Motor vehicle licenses or permits	125,787,801	131,250,543	134,957,753	136,690,431	143,127,287
1108	(24) Interstate transportation licenses or permits - Amendment 3	24,046,211	25,644,751	23,865,121	25,801,301	26,631,965
1108	Interstate transportation licenses or permits	53,343,143	56,630,383	52,754,737	57,069,595	60,057,681
1110	(24) Driver's licenses or permits - Amendment 3	8,692,977	8,195,615	7,363,142	8,105,039	7,685,988
1110	Driver's licenses or permits	7,461,353	7,165,485	6,391,039	7,439,702	6,926,116
1112	Land reclamation commission permits	549,999	586,109	673,840	757,262	771,316
1114	Salesman licenses or permits	841,500	1,024,810	1,343,560	1,486,950	1,378,800
1116	Vehicle and boat manufacturer and dealer licenses	875,649	906,202	944,410	938,393	879,887
1118	Liquor licenses or permits	5,122,020	5,358,359	5,303,962	5,476,918	5,616,612
1120	Gaming commission licenses	1,633,790	1,992,445	2,024,787	1,882,525	1,582,397
1121	Fantasy sports licenses	-	-	23,446	43	28,999
1124	Motor carrier licenses	2,961,695	2,492,555	2,294,927	2,384,911	2,368,584
1126	Hunting and fishing licenses and commission permits	31,788,573	33,011,845	31,988,432	32,628,927	31,809,260
1127	Hunting and fishing special tags	1,038,386	1,356,543	1,094,487	1,063,441	1,125,089
1128	Hazardous waste transporter licenses	335,378	343,769	327,114	318,958	324,105
1130	Water pollution control permits	4,715,396	5,494,736	5,859,232	5,501,402	5,436,904
1132	(24) Overdimension/overweight permits - Amendment 3	9,277,614	9,563,794	9,377,774	9,565,985	9,774,441
1134	Merchant licenses	1,578,713	1,558,949	1,624,958	1,619,808	1,784,454
1136	Tobacco licenses	27,300	27,800	27,200	26,700	25,000
1138	Temporary licenses	275	525	1,000	2,075	1,725
1140	Duplicate plates	1,442,386	1,481,181	1,549,922	1,558,861	1,484,598
1142	Duplicate driver license	1,862,866	1,994,714	2,133,152	2,051,614	1,974,253

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1149	(24) Other licenses and permits - Amendment 3	1,743,776	1,277,111	2,221,319	1,297,211	1,330,693
1149	Other licenses and permits	3,605,389	3,730,385	3,797,009	3,827,119	3,885,915
1150	Lobbyist registration fees	11,000	11,230	11,370	11,420	10,780
1152	Motorboat fees	12,549,673	12,358,613	12,687,392	12,562,562	12,224,132
1154	Narcotics and dangerous drugs fees	876,520	880,086	904,213	926,437	941,585
1156	Occupational boards exam fees - individual exam fees	801,324	843,897	474,928	379,823	379,336
1160	(24) Non-motor fuel decal fees - Amendment 3	285,643	247,609	316,589	326,378	413,348
1162	Filing fees	19,047,755	19,812,035	19,096,824	19,153,508	19,777,511
1163	Certifying/authenticating fees	11,809	55,699	135,395	39,735	45,311
1164	Transfer fees	34,040	33,548	33,376	34,188	32,292
1165	Service contract registration fee	116,100	131,500	129,950	132,450	136,000
1169	Other registration fees	11,501,235	11,916,069	11,926,930	12,158,837	12,429,855
1172	(13) Fantasy sports operation fees	-	-	228,935	439,214	616,656
1174	Asbestos fees	235,535	245,555	454,125	641,260	594,897
1176	Egg license fees	15,885	58,646	31,481	33,688	36,863
1178	Milk control fees	30,309	96,454	100,914	108,294	106,344
1180	Home health care license fees	120,200	111,750	121,210	103,132	100,650
1182	Nursing home license fees	142,069	137,660	146,633	138,853	142,386
1184	Title V emissions fees	7,081,848	7,865,484	6,284,503	6,323,571	6,011,856
1185	Emission fees/non Title V facilities	349,628	448,478	416,085	438,997	683,547
1186	Boarding home license fees	737,607	719,001	744,606	715,228	753,068
1188	Public utilities fees	19,695,636	19,842,506	19,936,400	19,627,829	19,494,691
1190	Hospital license fees	89,082	81,871	87,149	83,634	85,610
1192	Grain warehouse license fees	36,367	42,072	64,423	68,966	65,504
1194	Missouri primacy fees	4,748,831	4,835,262	4,065,366	4,925,394	4,803,338
1198	Transport load fees	11,195,303	11,567,440	11,633,855	11,529,928	13,238,787
1200	Storage tank registration fees	193,725	205,110	57,645	48,405	169,650
1202	Tourist cabin permit fees	181,401	179,526	180,454	184,148	183,466
1206	Solid waste disposal fees	10,946,036	11,764,753	12,282,791	12,831,002	12,953,236
1208	New tire fees	2,166,653	2,217,207	2,276,854	2,125,370	2,435,613
1209	Battery fee	683,452	680,264	740,814	746,809	767,512
1210	Ground water protection fees	616,030	693,711	698,748	646,442	633,298
1211	Radioactive waste transport fee	289,850	256,975	210,775	139,850	144,575
1214	Insurance regulatory fees, renewals and purchasing groups	2,435,554	2,269,071	2,544,199	2,327,841	3,414,085
1216	Air conservation commission permit fees	246,325	333,850	423,138	578,176	420,838
1218	Bingo license fees	35,085	31,930	31,030	28,455	28,165
1220	Lab fees	6,079,666	6,305,303	7,957,512	8,623,532	8,409,131
1221	(F) Medical marijuana fee	-	-	-	-	3,958,000
1222	Program administration fees	1,069,294	1,413,854	1,408,679	1,375,091	3,213,994
1223	Confined animal feed operation indemnity fees	-	2,196	-	-	-
1224	Railroad assessments	1,027,245	422,007	810,359	968,288	1,215,223
1227	Enhanced vehicle emission inspection fees	2,096,697	2,130,025	2,177,427	2,157,771	2,195,749
1233	Grain warehouse inspection fees	3,583,890	3,371,837	3,870,846	4,025,240	3,190,579
1235	Milk inspection fees	1,011,168	1,030,191	1,085,848	1,101,997	1,076,971
1237	Ice cream products inspection fees	33,150	31,731	30,600	37,300	33,895
1239	Mine inspection fees	61,016	67,080	63,688	62,468	59,381
1241	Mobile home and recreational vehicle inspection fees	383,477	426,507	434,304	462,097	432,833
1243	Oil inspection fees	2,344,403	2,417,687	2,598,663	3,384,043	3,437,324
1244	Oil and gas resources fees	-	-	32,403	75,122	71,960
1249	Other inspection fees	2,523,411	2,621,839	2,520,987	2,555,711	2,632,367
1250	Collection fees	30,805,269	32,230,771	32,330,843	34,973,528	37,017,947
1252	(13) Admission fees - riverboat gambling	44,222,953	42,523,664	40,826,259	39,559,834	37,437,813
1252	Admission fees	1,366,316	1,643,202	1,594,891	1,645,002	1,501,543
1254	State auditor fees	171,573	166,770	164,549	155,378	108,510
1260	Grade crossing safety fees	1,325,763	1,336,137	1,360,093	1,359,194	1,387,418
1262	Loan administration fees	7,127,199	8,311,128	9,385,819	8,484,187	7,418,830
1263	(A) Contract fees - Fund 657	384	-	-	-	-
1263	Contract fees	117,855	1,048,116	1,394,510	2,119,654	3,166,839
1264	Court fees	39,184,711	35,253,537	33,635,353	32,990,320	31,876,520
1266	Financial institutions examination fees	10,676,424	10,386,467	11,444,946	11,138,716	11,659,106
1268	Consumer finance license fees	963,425	1,351,002	1,312,454	1,243,357	1,245,328
1270	Transcript fees	128,674	98,305	105,059	118,465	121,049
1274	Marketing development fees	29,947	31,393	29,835	42,912	27,910
1276	Miscellaneous insurance fees	91,690	91,400	88,150	85,650	98,170
1278	Gaming commission administrative income	-	28	36	-	-
1279	(A) Lottery commission fees	301,291	262,260	170,512	264,255	254,845
1280	Motor vehicle inspection sticker fees	3,850,742	3,844,936	3,815,022	3,788,372	3,747,763
1282	Logo sign advertising fees	4,561,512	6,440,866	4,971,340	3,758,337	5,196,400
1284	Public defender fees	1,339,899	1,356,885	1,415,002	505,578	257,076
1286	Witness fees	9,212	4,808	3,913	5,906	4,548

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1288	County recorders fees	6,247,774	6,472,305	6,697,602	6,346,948	6,204,456
1290	Training or conference fees	205,630	205,462	161,925	134,102	202,626
1294	Electronic monitoring fee	63,381	52,187	38,739	44,976	33,897
1295	Intervention fees	8,503,124	8,429,899	7,414,914	8,028,733	8,573,586
1298	Substance abuse offender program fees	5,402,865	4,834,915	4,621,600	4,500,717	4,423,008
1302	Criminal records check fees	11,037,517	12,170,148	11,578,987	11,134,370	12,918,735
1303	Other fees	10,976,155	11,062,952	12,192,455	10,500,051	13,908,822
1305	(4) Bond sales proceeds	167,828,087	210,116,282	102,130,224	133,670,887	35,003,859
1306	Proceeds from capital leases	5	-	-	-	-
1310	Land sales	3,444,324	8,871,857	3,221,947	6,192,002	2,661,304
1312	Sales of natural resources products	2,702,674	2,764,888	3,026,638	3,629,948	3,063,180
1314	Sales of agriculture products	2,890,674	2,355,652	2,254,153	1,963,186	1,950,279
1316	Manufactured product sales	8,418,694	7,456,017	7,814,296	8,355,266	7,321,967
1318	Information sales	2,579,080	2,197,919	2,128,295	1,933,697	1,826,523
1320	Souvenir sales	936,945	1,188,846	1,331,883	1,262,051	989,771
1322	(22) Surplus property sales - state - Fund 710	2,003,696	1,996,692	2,889,940	3,498,193	2,160,442
1322	Surplus property sales - state	2,921,816	2,443,802	1,963,089	1,397,226	1,568,514
1324	Surplus property sales - federal	2,059,579	2,401,222	1,849,831	1,731,547	1,526,781
1326	Unclaimed property sales	2,971	7,228	-	-	-
1328	Sales of fixed assets - control	6,972,758	8,237,789	16,771,373	10,326,660	11,440,310
1330	Vital records sales	1,010,445	1,033,867	1,083,091	1,146,445	1,069,043
1332	(A) Lottery ticket sales - Fund 657	463,931,842	544,750,138	-	-	-
1332	(A) Lottery ticket sales - Fund 682	-	-	506,939,548	550,136,435	574,457,578
1334	Cafeteria sales	895,283	848,497	815,052	743,907	760,721
1335	Canteen sales	-	-	-	-	37,504,377
1338	Other sales	1,401,509	150,851	164,257	160,364	153,628
1340	Gain sale fixed assets - control	-	-	10,000	-	-
1342	Supply sales	249	206	186	195	124
1401	Land rentals/leases	38,650	101,391	222,151	216,239	174,597
1403	State facilities rentals/leases	1,504,187	1,320,462	1,179,200	1,210,786	1,009,946
1404	Parking rentals/leases	69,989	69,424	66,696	58,886	24,636
1405	Concessions and recreational rentals/leases	2,951,494	3,034,114	3,105,762	3,180,389	3,393,263
1407	Housing/building rentals/leases	260,615	235,093	221,368	225,190	243,439
1409	Other leases and rentals	1,458,148	1,503,996	2,559,687	1,135,969	1,166,182
1414	(1) Medicare	5,691,724	6,509,624	9,098,685	7,123,712	4,799,624
1418	(1) Medicaid	73,123,636	72,032,939	80,000,126	79,351,290	76,018,593
1419	(1) Medicaid - case managers	-	113,400	-	-	-
1420	(1) Medicaid - community based	240,617,515	259,045,530	275,410,223	389,406,224	386,380,675
1422	Private payments	4,055,811	4,725,731	4,310,559	4,172,575	3,699,234
1424	Insurance payments	510,326	443,538	326,524	561,970	250,135
1426	Other payments	12,863	7,547	538,898	790,371	789,245
1434	Institutional support fees	-	1,284	-	-	-
1436	Room and care	28,109,625	27,664,512	26,946,999	25,026,869	22,258,611
1442	Mail/freight services	-	-	1,321	-	-
1446	Printing service	158,884	150,009	214,420	112,625	163,355
1448	Computer services	288,876	524,018	418,050	471,206	715,912
1450	Administration services	38,548	19,962	6,076	6,398	5,813
1501	Private donations	7,797,052	4,554,090	7,531,073	4,634,610	3,981,709
1502	Other governmental entity donations	1,050,032	-	1,607,500	1,757,500	2,835,000
1507	(1) NASAO (airport inspections)	27,950	20,150	23,400	27,950	20,150
1510	(1) US Department of Agriculture	500,917,291	514,422,704	514,408,963	508,032,007	511,845,041
1512	(1) US Department of Defense	32,534,000	38,537,907	33,598,338	39,111,801	37,466,470
1513	(1) US Department of Homeland Security	3,808,312	2,854,523	2,430,710	2,051,905	2,285,287
1514	(1) US Department of Housing and Urban Development	40,676,241	46,977,140	47,220,963	55,239,661	40,029,975
1516	(1) US Department of Interior	27,826,979	29,441,709	32,053,401	32,848,237	33,968,755
1518	(1) US Department of Justice	2,856,329	5,251,610	4,430,759	4,112,224	40,216,518
1520	(1) US Department of Labor	126,368,853	120,842,194	123,241,053	109,450,198	122,957,840
1522	(1) US Department of Education	653,328,831	657,882,449	679,698,618	667,389,831	651,370,071
1522	(C) US Department of Education - Fund 880	4,125,941	3,075,670	2,513,914	2,322,003	1,883,170
1522	(C) US Department of Education - Fund 881	72,379,643	47,726,056	36,334,748	59,125,831	51,493,713
1524	(1) US Department of Transportation	856,690,126	908,711,359	921,311,289	1,014,416,571	964,603,792
1526	(1) National Foundation for the Arts and Humanities	3,667,829	3,861,753	3,667,633	3,711,534	3,915,414
1528	(1) US Veterans Administration	69,070,475	71,189,569	74,619,431	82,501,384	76,818,403
1529	(1) US General Services Administration	36,789	27,192	24,477	22,571	14,574
1530	(1) US Environmental Protection Agency	92,295,480	84,163,611	92,033,621	85,456,503	58,136,507
1532	(1) US Department of Energy	6,869,770	6,841,344	7,065,176	6,234,693	6,694,045
1534	(1) Federal Emergency Management Agency	136,785,815	90,290,749	80,291,635	77,200,265	54,783,155
1536	(1) US Department of Health and Human Services	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147
1538	(1) National/community services	3,659,053	4,157,499	3,837,179	4,407,701	5,902,182
1540	(1) US Social Security Administration	45,917,912	53,118,438	49,257,386	47,106,666	46,827,978

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1540	(E) US Social Security Administration - Fund 727	-	23,237	15,657	7,629	13,488
1542	(1) National Archives and Records	15,025	43,615	10,460	17,121	1,258
1544	(1) Elections Assistance Commission	-	-	-	7,230,625	-
1546	(1) US Department of Treasury	-	10,476	121,807	-	-
1549	(1) Miscellaneous federal revenues	48,644,049	39,911,964	39,415,516	43,310,397	44,728,057
1551	County mental health programs	11,311,919	12,946,158	12,412,049	8,557,588	7,206,115
1557	(1) American Recovery and Reinvestment Act	40,937,451	27,772,004	37,522,104	29,773,379	11,630,405
1560	(1) Federal pass-through grants	37,998,600	19,553,864	31,442,468	14,579,015	18,223,873
1560	(E) Federal pass-through grants - Fund 727	-	-	140	-	-
1601	(16) Time deposits interest - Fund 609	28,629	25,434	46,378	26,042	38,007
1601	(13) Time deposits interest - Fund 285	8,292	7,262	9,526	8,950	10,300
1601	(12) Time deposits interest - Fund 289	150	88	62	57	375
1601	(8) Time deposits interest - Fund 613	11,456	10,151	7,517	6,381	9,331
1601	(7) Time deposits interest - Fund 614	22,182	21,547	23,033	17,824	16,132
1601	(2) Time deposits interest - Fund 688	40,894	36,417	40,463	38,001	47,868
1601	(A) Time deposits interest - Fund 657	9,615	11,594	7,860	2,452	2,777
1601	(A) Time deposits interest - Fund 682	-	-	6,900	17,588	28,371
1601	(B) Time deposits interest - Fund 905	5,275	4,474	3,797	2,605	2,829
1601	(C) Time deposits interest - Fund 880	27,827	25,249	27,386	24,041	20,470
1601	(C) Time deposits interest - Fund 881	9,036	6,758	10,378	8,988	12,707
1601	(D) Time deposits interest - Fund 963	513	442	495	472	602
1601	(E) Time deposits interest - Fund 727	-	3	12	4	4
1601	(F) Time deposits interest- Fund 606	-	-	-	-	789
1601	Time deposits interest	1,611,893	1,558,436	1,776,400	2,247,521	2,139,605
1603	(F) U.S./agency securities interest - Fund 606	-	-	-	-	19,707
1603	(16) U.S./agency securities interest - Fund 609	192,528	202,650	451,363	516,235	955,578
1603	(13) U.S./agency securities interest - Fund 285	55,813	58,132	92,251,87	171,468	256,369
1603	(12) U.S./agency securities interest - Fund 289	996	785	601	1,145	10,860
1603	(8) U.S./agency securities interest - Fund 613	77,050	81,195	68,983	126,197	230,422
1603	(7) U.S./agency securities interest - Fund 614	149,111	172,161	223,251	347,220	397,899
1603	(2) U.S./agency securities interest - Fund 688	276,482	291,279	393,868	781,242	1,192,306
1603	(A) U.S./agency securities interest - Fund 657	64,305	90,912	67,231	47,268	70,431
1603	(A) U.S./agency securities interest - Fund 682	-	-	77,129	347,260	705,698
1603	(B) U.S./agency securities interest - Fund 905	35,597	35,689	35,704	51,666	69,162
1603	(C) U.S./agency securities interest - Fund 880	187,577	201,919	266,191	467,557	495,254
1603	(C) U.S./agency securities interest - Fund 881	60,978	53,579	101,089	181,320	319,652
1603	(D) U.S./agency securities interest - Fund 963	5,880	6,021	7,331	11,847	17,625
1603	(E) U.S./agency securities interest - Fund 727	-	26	114	70	126
1603	U.S./agency securities interest	19,236,045	21,062,373	25,189,472	43,348,110	70,091,462
1605	Other investment interest	238,000	945,400	227,032	1,069,890	925
1608	Realized gains and losses	13,079	-	-	-	-
1610	Interest on loans	12,020,643	2,306,462	3,991,978	5,137,467	5,475,074
1612	(25) Interest - federal	4,271,580	6,414	370	-	200
1614	Interest on receivables	2,083	2,189	1,399	3,732	7,147
1616	Interest on settlements	24,438	30,187	89,584	216,142	21,481
1618	Other interest	10,695	25,214	16,281	23,918	15,807
1620	Safety responsibility	50	-	-	-	-
1621	(C) Penalties - Fund 881	38	1,232	41	86	161
1621	Penalties	17,377,448	13,441,422	10,476,994	13,339,149	11,519,171
1624	(A) Settlements - Fund 657	-	1,578	-	36,826	-
1624	(C) Settlements - Fund 880	582	-	-	-	-
1624	Settlements	39,019,494	5,602,284	11,865,632	4,954,292	13,216,473
1626	Court awards	11,122,925	12,786,154	23,175,458	19,228,331	15,085,967
1628	Insufficient funds charges	2,585	3,088	2,443	2,920	2,495
1634	Estates	3,950	792	461	208	550
1636	Unclaimed properties	100,888,189	94,224,664	96,044,838	98,968,823	97,610,441
1700	(5) Salary refunds - federal	316,764	186,340	172,157	155,384	247,439
1701	(5) Salary refunds - state	8,307	3,259	3,994	18,039	12,215
1702	(5) Salary refunds - local/other	29	50	68	1,218	442
1703	(5) General relief pension refunds	1,711	2,123	3,110	568	15
1704	(5) Blind pension refunds	11,787	9,123	15,155	13,313	13,541
1706	(5) Dependent children pension refunds	166,610	154,613	181,017	197,576	219,800
1715	(5) Day care refunds	174,958	248,033	123,001	160,334	190,391
1717	(5) Medicare - Medicaid refunds	555,309,589	764,065,387	745,882,820	769,637,896	782,649,205
1719	(5) Cost in criminal cases refunds	1,145,795	1,107,583	989,773	1,131,067	828,984
1720	(5) American Recovery and Reinvestment Act refunds	3,406,265	234,023	104,795	10,441	-
1721	(5) Vendor refunds - federal	1,057,850	4,620,866	1,375,208	977,390	2,494,719
1722	(5) Vendor refunds - state	606,888	655,137	1,671,200	1,132,213	1,001,934
1722	(A) Vendor refunds - state - Fund 657	393	1,695	-	-	-
1722	(A) Vendor refunds - state - Fund 682	-	-	2,422	3,206	2,905

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1723	(5) Vendor refunds - local/other	1,035,475	716,747	842,054	811,425	511,124
1723	(C) Vendor refunds - local/other - Fund 880	339	209	967	609	-
1724	(5) Political subdivision refunds	204	-	-	-	-
1725	(5) Excess court payment refunds	152,449	27,813	270,262	1,185,773	5,238
1727	(5) School refunds	3,773,819	6,417,301	3,867,964	3,971,653	3,560,474
1728	(5) Scholarship refunds	1,737,431	1,079,095	1,184,340	1,163,954	1,113,541
1728	(C) Scholarship refunds - Fund 880	-	270	-	-	-
1729	(5) Audit findings - federal	7,894	3,541	-	-	-
1730	(5) Audit findings - state	118	25	-	-	-
1731	(5) Audit findings - local/other	26,509	76,760	34,242	118,960	120,662
1732	(5) Utility refunds	112,228	136,184	184,036	223,191	203,928
1733	(5) Fuel tax refunds	184,901	168,077	9,443	101,946	22,557
1737	(5) Other refunds	3,267,783	2,445,440	2,535,828	2,575,366	2,486,360
1737	(B) Other refunds - Fund 905	176,756	-	-	-	-
1737	(C) Other refunds - Fund 880	-	-	-	263	-
1737	(D) Other refunds - Fund 963	-	-	136	-	-
1806	(18) Recovery costs	146,337,214	141,153,215	208,492,070	155,657,507	151,805,702
1806	(A) Recovery costs - Fund 657	6,565	-	-	-	-
1806	(A) Recovery costs - Fund 682	-	-	61,714	-	-
1808	Deposit of surplus property funds	341	-	-	-	-
1811	(21) Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265
1812	(19) Cost reimbursements - federal	4,631,476	6,867,653	9,841,676	2,577,917	2,162,777
1813	(19) Cost reimbursements - state	16,172,695	16,176,101	14,167,649	18,239,650	12,710,970
1813	Cost reimbursements - state (included)	17,577,192	18,273,342	17,608,815	17,573,302	16,987,024
1814	(19) Cost reimbursements - local/other	170,106,348	179,458,857	137,157,431	154,003,419	140,539,292
1814	(B) Cost reimbursements - local/other - Fund 905	-	-	2,849,735	6,872,485	6,644,373
1814	(C) Cost reimbursements - local/other - Fund 880	4,461	2,175	-	-	-
1816	Bond account	8,693,952	8,020,533	6,843,143	4,976,308	694,404
1818	(17) Employee expense reimbursement - federal	6,207	6,623	2,861	8,846	3,136
1819	(17) Employee expense reimbursement - state	37,620	2,055	798	208	13,711
1820	(17) Employee expense reimbursement - local/other	4,033	2,115	1,903	1,418,604	-
1821	(17) Employee personal expense reimbursement	38,730	89,417	83,806	42,534	44,356
1822	(10) Outlawed checks	5,544,179	7,906,652	9,341,755	8,039,816	9,398,263
1822	(B) Outlawed checks - Fund 905	7,616	7,438	25,359	8,076	19,708
1824	(20) Canceled checks	4,730,204	4,523,255	5,055,748	3,541,743	3,028,906
1824	(A) Canceled checks - Fund 657	-	-	75	-	-
1824	(B) Canceled checks - Fund 905	178	129	2,857	216	2,362
1826	(9) Redeposit of investments principal	112,942	109,022	1,123,588	1,608,437	-
1828	(11) Redeposit of loan principal	74,454,908	83,588,497	97,881,344	105,777,957	105,666,580
1830	Telephone commissions	1,535,516	1,581,576	1,629,024	1,677,892	1,677,196
1832	Commission on sales	5,731	5,728	4,655	5,411	4,362
1834	(23) Rebates - WIC	81,979,391	48,507,981	65,071,479	76,650,915	66,017,708
1834	Rebates	1,438,212	1,176,702	1,350,966	1,492,665	1,875,110
1834	(A) Rebates - Fund 657	3,981	5,095	-	9	-
1834	(A) Rebates - Fund 682	-	-	4,814	5,984	6,395
1834	(C) Rebates - Fund 880	383	303	452	337	87
1836	Housing and maintenance receipts	19,848	15,811	976	-	-
1838	Loan defaults	571,590	495,335	505,882	844,904	322,182
1840	(15) Loan proceeds	8,269,645	-	-	-	-
1842	(11) Loan repayment	248,334	328,190	310,072	342,417	331,880
1842	(C) Loan repayment - Fund 881	57,594,427	53,537,794	59,229,827	45,668,963	53,860,767
1843	(11) Loans receivable contra account	5,354,505	5,680,374	8,537,324	6,598,537	5,976,882
1844	Insurance proceeds	-	7,988	41,049	17,119	-
1846	Capital credits/dividends	104,066	96,044	93,480	107,384	134,572
1848	Recycling receipts	232,498	207,286	212,898	192,205	135,655
1850	Forfeitures	1,882,450	1,503,970	1,202,243	1,782,672	1,355,045
1852	Overpayments	360,921	508,376	596,653	546,208	772,732
1856	(1) Other miscellaneous receipts - federal	5,950,285	4,961,120	10,124,635	7,181,871	5,763,802
1858	(A) Other miscellaneous receipts - state - Fund 657	2,291	1,773	-	-	-
1858	(A) Other miscellaneous receipts - state - Fund 682	-	-	4,655	3,238	3,638
1858	(B) Other miscellaneous receipts - state - Fund 905	14,770,311	11,499,237	5,669,644	5,665,570	6,475,011
1858	Other miscellaneous receipts - state	3,977,952	3,869,407	13,832,071	10,610,567	9,679,740
1860	(A) Other miscellaneous receipts - local/other - Fund 657	3,755,680	2,986,561	-	-	-
1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	-	2,122,102	3,883,124	1,985,789
1860	Other miscellaneous receipts - local/other	3,820,925	2,664,027	2,140,078	1,790,819	8,150,544
1862	(A) Fees for copying public records - Fund 657	-	151	-	-	-
1862	(A) Fees for copying public records - Fund 682	-	-	75	36	-
1862	Fees for copying public records	272,648	273,622	265,841	267,948	311,020
1866	Federal share of grantee sales	450,287	330,838	299,208	233,188	123,333
1868	Receivable overpayment - federal	58	178	-	-	-

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1870	Receivable overpayment - state	67	40	3	716	-
1872	Receivable overpayment - local	96	250	-	-	-
6001	(6) Supply sales	390,128	479,411	374,932	406,292	385,028
6002	(6) Open records fees	15,081	8,987	10,574	7,424	9,833
6003	(6) Fleet services operations/maintenance	2,045,630	1,786,879	1,645,479	1,767,638	1,845,034
6005	(6) Fleet services replacement	1,678,517	1,630,894	240,065	1,288,996	1,584,587
6006	(6) Criminal records check fees	456,286	329,043	405,830	314,477	247,727
6007	(6) Mail/freight services	9,761,536	9,619,041	9,605,392	9,291,754	9,789,843
6009	(6) Telephone billing	36,836,383	37,945,584	38,207,119	33,736,326	38,077,517
6011	(6) Printing service	5,275,658	5,126,201	4,953,996	4,323,276	5,156,289
6013	(6) Reimbursement/recovery cost	31,672,678	27,485,232	27,633,771	27,843,968	26,651,528
6013	(C) Reimbursement/recovery cost - Fund 881	2,242	-	-	-	-
6015	(6) Leased facility	61,542,743	61,346,648	62,104,759	63,126,489	64,424,904
6017	(6) Sale of material, supplies, and services	810,590	1,151,871	792,091	655,026	588,218
6019	(6) Training	624,636	631,324	459,259	431,464	668,357
6021	(6) Computer services	24,413,038	29,571,066	30,753,047	32,349,562	37,043,025
6023	(6) Administration services	522,914	612,172	647,587	732,883	537,658
6025	(6) Flight operations services	770,175	492,045	542,252	86,447	282,306
6027	(6) Sale of manufactured products	19,461,962	20,665,985	20,192,629	18,619,178	22,131,780
6029	(6) Interagency receipts	41,407,133	34,873,321	34,431,497	33,691,602	34,030,155
6029	(C) Interagency receipts - Fund 881	591,646	562,670	634,586	-	-
6030	(6) Sampling &/or analysis	926,768	909,218	896,298	831,956	875,291
6031	(14) Redeposit of state funds	112,655	153,566	203,360	232,824	142,657
6033	(6) Permits	41,669	54,736	58,800	48,344	37,238
6034	(6) Registration fees	133,015	107,443	124,446	102,586	139,050
6035	(6) Taxes	9,609,364	8,613,452	7,653,994	8,380,299	8,188,913
6036	(6) Transcript fees	26,002	10,195	16,039	10,545	12,884
	Total Revenues	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266
Fund Exclusions:						
(A)	Lottery Funds - Fund 657 and 682	468,076,347	548,111,757	509,465,037	554,747,680	577,518,427
(B)	Alternative Care Trust Fund - Fund 905	14,995,733	11,546,967	8,587,096	12,600,617	13,213,445
(C)	Student Loan Funds - Funds 880 and 881	134,985,120	105,193,884	99,119,579	107,800,000	108,085,981
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	6,393	6,463	7,962	12,319	18,227
(E)	Division of Youth Services Child Benefits Fund - Fund 727	-	23,266	15,923	7,703	13,618
(F)	Veterans' Heath and Care Fund - Fund 606	-	-	-	-	3,978,496
Revenue Source Exclusions:						
(1)	Federal funds	10,103,924,854	10,352,212,487	10,747,909,704	11,362,716,108	11,388,424,592
(2)	Proposition C sales and use tax/interest	868,523,541	906,845,411	919,362,208	938,994,695	951,079,311
(3)	Proposition A gas tax and license fee increases	165,022,444	172,484,819	171,758,978	174,486,338	171,609,379
(4)	Bond sales	167,828,087	210,116,282	102,130,224	133,670,888	35,003,859
(5)	Refunds	572,505,364	782,357,520	759,450,467	783,587,704	795,682,569
(6)	Interagency sales and receipts	248,421,906	243,450,748	241,749,856	238,046,532	252,707,165
(7)	Soil and water sales and use tax/interest	44,382,868	46,365,216	47,077,261	48,195,693	48,787,855
(8)	Parks sales and use tax/interest	44,300,079	46,262,851	46,907,473	47,963,318	48,613,792
(9)	Redeposit of investment principal	112,942	109,022	1,123,588	1,608,437	-
(10)	Outlawed checks	5,544,179	7,906,652	9,341,755	8,039,816	9,398,263
(11)	Redeposit of loan principal	80,057,747	89,597,061	106,728,740	112,718,913	111,975,342
(12)	Bingo	1,771,432	1,705,995	1,752,399	1,453,961	1,544,378
(13)	Riverboat gambling	364,674,023	366,174,572	365,419,018	368,575,905	365,714,911
(14)	Redeposit of state funds	112,655	153,566	203,360	232,824	142,657
(15)	Loan proceeds	8,269,645	-	-	-	-
(16)	Conservation sales and use tax/interest	110,749,898	115,657,858	117,575,154	120,110,418	121,928,549
(17)	State employee expense reimbursement	86,590	100,210	89,368	1,470,191	61,203
(18)	Recovery costs	146,337,214	141,153,215	208,492,070	155,657,507	151,805,702
(19)	Cost reimbursements	190,910,519	202,502,611	161,166,756	174,820,986	155,413,039
(20)	Canceled checks	4,730,204	4,523,255	5,055,748	3,541,743	3,028,906
(21)	Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265
(22)	Proceeds of surplus property sales - Fund 710	2,003,696	1,996,692	2,889,940	3,498,193	2,160,442
(23)	DHSS program rebates	81,979,391	48,507,981	65,071,479	76,650,915	66,017,708
(24)	Amendment 3 revenue derived from highway users	533,026,938	554,529,487	569,855,828	580,237,026	568,526,419
(25)	Interest - federal	4,271,580	6,414	370	-	200
(26)	Suspense holding	-	-	-	58,298	40,014
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	19,999	7,016	12,274	220,155	494,665
	Agency remitted sales tax	224,953	236,007	213,462	253,441	236,987
	Abandoned funds claim payments	39,309,427	38,888,067	43,082,600	43,734,033	43,372,088
	Coding errors	(95)	-	-	-	-
	Circuit courts escrow	-	-	-	2,506,078	2,241,863

Appendix A

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
	Debt offset escrow	-	-	-	13,876,494	12,588,483
	Total exclusions	<u>14,442,150,954</u>	<u>15,019,332,558</u>	<u>15,326,026,148</u>	<u>16,087,602,342</u>	<u>16,042,972,800</u>
	Total revenues after exclusions	11,403,826,885	11,717,884,919	11,923,886,143	12,438,197,189	12,517,860,466
	Less SAM II expenditure refunds (Appendix B)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)	(1,480,782,389)	(1,391,943,779)
	Add refundable tax credits:					
	Missouri Works	-	-	11,969,574	16,996,555	-
	Enterprise Zone	141,943	-	-	-	-
	BUILD	3,311,820	3,858,758	4,832,573	7,080,218	7,893,969
	Missouri Quality Jobs	17,445,172	20,281,001	30,145,802	25,388,581	23,535,191
	New Enhanced Enterprise Zone	2,395,322	3,470,176	3,350,388	3,228,601	2,599,274
	Self-employed Health Insurance	829,513	1,523,728	1,946,042	2,123,978	1,748,506
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	94,043	695,312	1,367,055	1,341,800	20,331,791
	Total State Revenue	<u>\$ 10,149,550,806</u>	<u>10,287,935,661</u>	<u>10,502,885,065</u>	<u>11,013,574,533</u>	<u>11,182,025,418</u>

Revenue amounts excluded from SAM II revenue amounts to arrive at Total State Revenue are discussed at Appendix C.

Appendix B

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of Expenditure Refunds

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2015	2016	2017	2018	2019
3200	Bond refunds	\$ 4,612,996	20,246,084	23,327,341	3,961,622	16,837,636
3206	Deposit and escrow refunds	80,882	568,458	48,096	83,042	29,773
3212	Federal share grantee sales refunds	46	-	-	-	-
3213	Tax credit debt offset	65,941	68,893	146,178	82,314	69,122
3215	Debt offset refunds	10,102,444	12,275,735	12,931,564	7,900,327	4,503,978
3218	Motor vehicle license fee refunds	312,432	430,535	1,318,516	394,301	422,322
3221	Driver's license fee refunds	54,387	50,160	38,925	37,582	48,911
3227	License and permit fee refunds	537,491	830,932	969,379	1,036,462	1,011,037
3230	Registration fee refunds	26,142	29,604	41,130	37,878	4,876
3233	Regulatory fee refunds	22,222	11,202	14,328	23,793	42,896
3236	Inspection fee refunds	68,105	53,611	54,007	45,159	57,762
3239	Miscellaneous fee refunds	379,316	444,125	463,144	407,726	369,017
3242	Sales refunds	4,539	6,030	5,824	3,443	6,109
3245	Lease and rentals refunds	2,085	3,535	4,673	3,738	2,358
3248	Medical services refunds	10,030,985	7,794,112	8,874,556	9,629,754	10,248,013
3251	Contributions refunds	56,807	500	597	-	-
3254	Federal refunds	700,700	3,994,617	481,514	230,293	523,553
3255	Financial institutions tax refunds	-	-	-	199	-
3257	Penalty and court award refunds	285	1,640	326	69	201
3260	Interagency billing refunds	-	300	-	-	-
3261	Receivable overpayment refunds	375,941	338,729	331,152	325,019	290,277
3267	Deferred revenue refunds	1,773,082	3,398,108	2,139,922	2,013,248	1,917,960
3268	Liability account refunds	-	-	-	-	1,735
3269	Other refunds	2,349,459	643,356	1,134,036	2,090,584	1,542,918
3272	Sales and use tax protested refunds	574,348	1,314	3,217	-	-
3281	County foreign insurance tax refunds	9,270,877	6,166,772	4,131,633	5,112,963	33,713,018
3284	County domestic insurance tax refunds	91,816	-	-	-	-
3287	Worker's compensation insurance tax refunds	169,765	308,555	267,358	51,801	250,912
3290	Worker's compensation 2nd injury insurance tax refunds	-	4,618	2,385	7,122	10,005
3291	Surplus lines insurance tax refund	31,040	54,296	32,302	119,999	54,246
3293	Cigarette tax refunds	20,732	19,696	38,557	385	15,941
3299	Aviation fuel tax refunds	5,607	5,772	2,239	3,360	3,735
3302	Local Use Tax Refunds	-	-	-	-	145,000
3305	Special fuel (non-gas) tax refunds	19,891,763	16,618,103	17,609,769	17,597,075	16,476,400
3308	Fuel tax refunds	10,582,920	10,050,762	14,701,157	11,281,600	11,823,784
3311	Sales tax refunds	-	-	261	-	-
3317	General sales and use tax refunds	26,712,898	40,504,538	35,688,543	23,275,186	39,412,110
3326	Motor vehicle sales tax refunds	6,193,025	5,319,325	6,112,493	6,218,889	7,102,520
3329	Motor vehicle use tax refunds	64,376	3,210	2,791	697	2,151
3335	Boat tax refunds	3,680	3,688	4,070	3,005	3,220
3338	Individual tax refunds	943,383,972	1,032,515,749	1,080,740,622	1,128,602,275	983,316,541
3341	Senior citizens tax refunds	104,810,266	106,927,409	100,851,062	98,808,490	83,217,656
3344	Corporation tax refunds	120,498,356	181,455,603	159,007,587	161,392,989	178,463,586
3347	Franchise tax refunds	2,151,688	6,023,791	10,681	-	-
3350	Inheritance tax refunds	-	-	101,364	-	-
3356	Other tax refunds	2,480,476	2,604,766	2,979,213	-	2,500
	Total SAM II Expenditure Refunds	\$ 1,278,493,892	1,459,778,233	1,474,612,512	1,480,782,389	1,391,943,779

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Appendix C

TSR Exclusions

Various revenue amounts are excluded from Statewide Accounting System for Missouri (SAM II) revenue amounts to arrive at Total State Revenue (TSR), as shown on Appendix A. These exclusions, which include certain funds, certain revenue types, and other exclusions and limits, are discussed below.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(A) Lottery Funds

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, they were deposited in the Lottery Enterprise Fund.

(B) Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

(C) Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes the two student loan funds held in trust.

(D) Pansy Johnson-Travis
Memorial State Gardens
Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

(E) Division of Youth Services
Child Benefits Fund

The Division of Youth Services (DYS) Child Benefits Fund was administratively created to account for payments from the Social Security Administration held in trust for the benefit of youth in the DYS custody. Funds held in trust are not deemed to be state funds, and are therefore excluded. This fund was added as an excluded fund in fiscal year 2016. In prior years, most of the fund revenues were excluded as federal funds.



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(F) Veterans' Health and Care Fund	In November 2018, the voters approved Article XIV, Section 1.4, Missouri Constitution, which authorized the creation of the Missouri Veterans' Health and Care Fund. The fund is used to account for various taxes and fees also authorized by that section for the regulation of medical marijuana licensing and distribution. Since voters directly approved these taxes and fees, the fund is excluded from TSR.
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Excluded Revenues

	From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:
(1) Federal Funds	Article X, Section 17, Missouri Constitution, specifically excludes federal funds.
(2) Proposition C Sales and Use Tax/Interest	In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.
(3) Proposition A Gas Tax and License Fee Increases	In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item (24).
(4) Bond Sales	Attorney General Opinion 22-1982 concluded that proceeds of the state's general obligation bonds were not to be included in TSR.
(5) Refunds	Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. Refunds also include cost recoveries and prescription drug rebates received through the Medicaid and Children's Health Insurance programs.
(6) Interagency Sales and Receipts	Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.
(7) Soil and Water Sales and Use Tax/Interest and	In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded.
(8) Parks Sales and Use Tax/Interest	
(9) Redeposit of Investment Principal	The redeposit of investment principal is excluded.



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<p>(10) Outlawed Checks</p> <p>(11) Redeposit of Loan Principal</p> <p>(12) Bingo Tax</p> <p>(13) Riverboat Gambling and Other Gaming Proceeds</p>	<p>Outlawed checks (issued checks not cashed by the payee within the time allowed) are redeposited in the state treasury and are excluded.</p> <p>Redeposits of loan principal are excluded.</p> <p>The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.</p> <p>In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution, that requires all state gaming revenues be appropriated for public education and excludes these revenues from TSR.</p> <p>In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.</p> <p>Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.</p> <p>Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.</p> <p>On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in <i>Kelly v. Hanson</i>, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to</p>
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the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining \$1 portion of the \$2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

In 2016, the general assembly passed HB 1941 that requires licensed fantasy sports contest operators to pay an annual operation fee equal to 11.5 percent of the operator's net revenue from the previous calendar year. These revenues are deposited in the Gaming Proceeds for Education Fund. Section 313.822, RSMo, provides all monies deposited in the Gaming Proceeds for Education Fund are to be treated as proceeds of river boat gambling. Under Article III, Section 39(d), Missouri Constitution, these annual operation fees are excluded from TSR.

(14) Redeposit of State Funds

The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.

(15) Loan Proceeds

The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.

(16) Conservation Sales and Use Tax/Interest

In *Conservation Federation of Missouri v. Richard Hanson*, 994 S.W. 2d 27 (Mo. Banc. 1999), the Supreme Court held that the revenue derived from the one-eighth of 1 percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.

(17) State Employee Expense Reimbursement

The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.

(18) Recovery Costs

Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Monies received from tobacco companies under the Tobacco Master Settlement Agreement are included in the recovery costs exclusion. See Tobacco Master Settlement Agreement Proceeds section. Also, see item (19).

(19) Cost Reimbursements

Monies received from other governments for reimbursements of costs incurred by the state are excluded.

Regarding items (18) and (19), the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically



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mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(20) Canceled Checks Receipts derived from the redeposit of state checks that have been canceled are excluded.

(21) Local Match Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these funds are not state funds, they are excluded.

(22) Proceeds of Surplus Property Sales The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(23) DHSS Program Rebates The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants. These rebates are related to purchases made with federal funds and are therefore excluded.

(24) Amendment 3 Revenue Derived From Highway Users In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.

Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues'...."

Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues'...."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other



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licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))

Sections 29, 30(c), and 30(d) have no Hancock implications.

(25) Interest - Federal

Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.

(26) Suspense Holding

The collection of unidentified funds for both state and non-state entities. Since these monies have not been identified, they are excluded from TSR.

Other Exclusions and Limits

Cash Management Improvement Act (CMIA)

The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Circuit Courts Escrow and Debt Offset Escrow

Under Section 488.5028, RSMo, the Department of Revenue and State Lottery Commission make setoffs of income tax refunds and lottery prize payouts, respectively, for amounts owed to circuit courts. Similarly, under Section 143.784, RSMo, the Department of Revenue makes setoffs of income tax refunds for amounts due to state agencies. Amounts setoff under both provisions are placed in escrow accounts until any review hearings are held and the matter is resolved. As a result, this revenue is not included in TSR.



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Expenditure Refunds

Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP excluded \$134,225,943 received from tobacco companies during fiscal year 2019. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorneys General. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2019 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603
2017	191,261,135
2018	138,311,530
2019	134,225,943

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "all money recovered



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from others for costs incurred by the state or to be incurred by the state." The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement Allowance and Nursing Facility Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2015	2016	2017	2018	2019			
1536	US Department of Health and Human Services	\$ 7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147	38,155,267,150	27.87%	27.87%	
1022	Individual income tax	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494	36,809,583,798	26.88%	54.75%	
1001	Sales and use tax	2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091	10,700,177,746	7.81%	62.57%	
1524	US Department of Transportation	856,690,126	908,711,359	921,311,289	1,014,416,571	964,603,792	4,665,733,137	3.41%	65.97%	
1013	Proposition C sales and use tax	868,206,165	906,517,715	918,927,877	938,175,451	949,839,137	4,581,666,345	3.35%	69.32%	
1060	Motor vehicle fuel tax	704,779,616	725,922,252	734,683,791	728,500,058	736,513,579	3,630,399,296	2.65%	71.97%	
1717	Medicare - Medicaid refunds	555,309,589	764,065,387	745,882,820	769,637,896	782,649,205	3,617,544,897	2.64%	74.61%	
1522	US Department of Education	729,834,415	708,684,175	718,547,280	728,837,665	704,746,954	3,590,650,489	2.62%	77.24%	
1332	Lottery ticket sales	463,931,842	544,750,138	506,939,548	550,136,435	574,457,578	2,640,215,541	1.93%	79.16%	
1510	US Department of Agriculture	500,917,291	514,422,704	514,408,963	508,032,007	511,845,041	2,549,626,006	1.86%	81.03%	
1026	Corporate income tax	525,403,403	466,496,555	432,357,927	459,482,248	524,941,269	2,408,681,402	1.76%	82.79%	
1076	Gaming commission gross receipts tax	320,386,965	323,585,514	324,262,046	328,396,438	327,393,773	1,624,024,736	1.19%	83.97%	
1009	Motor vehicle sales tax	292,586,228	305,649,502	322,733,522	328,124,026	320,396,628	1,569,489,906	1.15%	85.12%	
1420	Medicaid - community based	240,617,515	259,045,530	275,410,223	389,406,224	386,380,675	1,550,860,167	1.13%	86.25%	
1033	County foreign insurance tax	239,393,674	247,446,081	280,592,925	310,095,430	293,426,981	1,370,955,091	1.00%	87.25%	
1106	Motor vehicle licenses or permits	180,652,915	186,711,892	191,696,459	193,840,946	198,970,941	951,873,153	0.70%	87.95%	
1806	Recovery costs	146,343,779	141,153,215	208,553,784	155,657,507	151,805,702	803,513,987	0.59%	88.53%	
1814	Cost reimbursements - local/other	170,110,809	179,461,032	140,007,166	160,875,904	147,183,665	797,638,576	0.58%	89.12%	
1305	Bond sales proceeds	167,828,087	210,116,282	102,130,224	133,670,887	35,003,859	648,749,339	0.47%	89.59%	
1520	US Department of Labor	126,368,853	120,842,194	123,241,053	109,450,198	122,957,840	602,860,138	0.44%	90.03%	
1011	Conservation sales and use tax	110,528,741	115,429,774	117,077,413	119,568,141	120,934,964	583,539,033	0.43%	90.46%	
1039	Worker's compensation insurance tax - second injury	90,502,981	106,107,160	101,791,431	102,703,123	99,505,372	500,610,067	0.37%	90.82%	
1636	Unclaimed properties	100,888,189	94,224,664	96,044,838	98,968,823	97,610,441	487,736,955	0.36%	91.18%	
1089	Pharmacy reimbursement allowance	87,807,243	95,736,817	87,380,822	108,168,401	93,338,044	472,431,327	0.35%	91.52%	
1828	Redeposit of loan principal	74,454,908	83,588,497	97,881,344	105,777,957	105,666,580	467,369,286	0.34%	91.86%	
1534	Federal Emergency Management Agency	136,785,815	90,290,749	80,291,635	77,200,265	54,783,155	439,351,619	0.32%	92.19%	
1530	US Environmental Protection Agency	92,295,480	84,163,611	92,033,621	85,456,503	58,136,507	412,085,722	0.30%	92.49%	
1108	Interstate transportation licenses or permits	77,389,354	82,275,134	76,619,858	82,870,896	86,689,646	405,844,888	0.30%	92.78%	
1057	Cigarette tax	81,745,445	83,685,975	79,873,777	75,939,169	72,927,231	394,171,597	0.29%	93.07%	
1418	Medicaid	73,123,636	72,032,939	80,000,126	79,351,290	76,018,593	380,526,584	0.28%	93.35%	
1528	US Veterans Administration	69,070,475	71,189,569	74,619,431	82,501,384	76,818,403	374,199,262	0.27%	93.62%	
1834	Rebates	83,421,967	49,690,081	66,427,711	78,149,910	67,899,300	345,588,969	0.25%	93.87%	
6015	Leased facility	61,542,743	61,346,648	62,104,759	63,126,489	64,424,904	312,545,543	0.23%	94.10%	
1842	Loan repayment	57,842,761	53,865,984	59,539,899	46,011,380	54,192,647	271,452,671	0.20%	94.30%	
1540	US Social Security Administration	45,917,912	53,141,675	49,273,043	47,114,295	46,841,466	242,288,391	0.18%	94.48%	
1003	Parks sales and use tax	44,211,573	46,171,505	46,830,973	47,830,741	48,374,039	233,418,831	0.17%	94.65%	
1005	Soil and water sales and use tax	44,211,575	46,171,508	46,830,977	47,830,649	48,373,824	233,418,533	0.17%	94.82%	
1514	US Department of Housing and Urban Development	40,676,241	46,977,140	47,220,963	55,239,661	40,029,975	230,143,980	0.17%	94.99%	
1549	Miscellaneous federal revenues	48,644,049	39,911,964	39,415,516	43,310,397	44,728,057	216,009,983	0.16%	95.14%	
1252	Admission fees	45,589,269	44,166,866	42,421,150	41,204,836	38,939,356	212,321,477	0.16%	95.30%	

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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2015	2016	2017	2018	2019			
	1603	U.S./agency securities interest	20,342,362	22,256,721	26,974,579	46,398,605	74,832,550	190,804,817	0.14%	95.44%
	6009	Telephone billing	36,836,383	37,945,584	38,207,119	33,736,326	38,077,517	184,802,929	0.13%	95.57%
	1512	US Department of Defense	32,534,000	38,537,907	33,598,338	39,111,801	37,466,470	181,248,516	0.13%	95.71%
	6029	Interagency receipts	41,998,779	35,435,991	35,066,083	33,691,602	34,030,155	180,222,610	0.13%	95.84%
	1264	Court fees	39,184,711	35,253,537	33,635,353	32,990,320	31,876,520	172,940,441	0.13%	95.96%
	1250	Collection fees	30,805,269	32,230,771	32,330,843	34,973,528	37,017,947	167,358,358	0.12%	96.09%
	1813	Cost reimbursements - state	33,749,887	34,449,443	31,776,464	35,812,952	29,697,994	165,486,740	0.12%	96.21%
	1041	Excess lines of insurance tax	29,713,178	30,024,860	33,455,598	34,308,445	35,890,349	163,392,430	0.12%	96.33%
	1126	Hunting and fishing licenses and commission permits	31,788,573	33,011,845	31,988,432	32,628,927	31,809,260	161,227,037	0.12%	96.44%
	1516	US Department of Interior	27,826,979	29,441,709	32,053,401	32,848,237	33,968,755	156,139,081	0.11%	96.56%
	6021	Computer services	24,413,038	29,571,066	30,753,047	32,349,562	37,043,025	154,129,738	0.11%	96.67%
	1557	American Recovery and Reinvestment Act	40,937,451	27,772,004	37,522,104	29,773,379	11,630,405	147,635,343	0.11%	96.78%
	1080	Real and personal property tax	27,568,831	28,189,016	28,830,339	29,703,452	31,102,787	145,394,425	0.11%	96.89%
	6013	Reimbursement/recovery cost	31,674,920	27,485,232	27,633,771	27,843,968	26,651,528	141,289,419	0.10%	96.99%
	1100	Professional licenses or permits	29,225,729	26,707,324	28,140,106	24,242,068	30,634,356	138,949,583	0.10%	97.09%
	1436	Room and care	28,109,625	27,664,512	26,946,999	25,026,869	22,258,611	130,006,616	0.09%	97.19%
	1560	Federal pass-through grants	37,998,600	19,553,864	31,442,608	14,579,015	18,223,873	121,797,960	0.09%	97.27%
	1053	Liquor tax	22,476,067	22,844,443	24,012,395	25,088,295	25,892,501	120,313,701	0.09%	97.36%
	1811	Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265	117,046,636	0.09%	97.45%
	6027	Sale of manufactured products	19,461,962	20,665,985	20,192,629	18,619,178	22,131,780	101,071,534	0.07%	97.52%
	1059	Tobacco product tax	17,691,619	19,434,019	20,516,652	21,468,711	21,938,400	101,049,401	0.07%	97.60%
	1188	Public utilities fees	19,695,636	19,842,506	19,936,400	19,627,829	19,494,691	98,597,062	0.07%	97.67%
	1162	Filing fees	19,047,755	19,812,035	19,096,824	19,153,508	19,777,511	96,887,633	0.07%	97.74%
	1088	Nursing facility reimbursement allowance	18,022,997	20,891,666	19,522,237	18,238,114	17,955,464	94,630,478	0.07%	97.81%
	1090	Federal reimbursement allowance	15,380,839	15,806,286	15,567,989	26,077,730	21,750,434	94,583,278	0.07%	97.88%
	1858	Other miscellaneous receipts - state	18,750,554	15,370,417	19,506,370	16,279,375	16,158,389	86,065,105	0.06%	97.94%
	1037	Worker's compensation insurance tax	17,199,724	17,156,163	16,720,052	17,416,920	16,976,319	85,469,178	0.06%	98.00%
	1626	Court awards	11,122,925	12,786,154	23,175,458	19,228,331	15,085,967	81,398,835	0.06%	98.06%
	1110	Driver's licenses or permits	16,154,330	15,361,100	13,754,181	15,544,741	14,612,104	75,426,456	0.06%	98.12%
	1624	Settlements	39,020,076	5,603,862	11,865,632	4,991,118	13,216,473	74,697,161	0.05%	98.17%
	1621	Penalties	17,377,486	13,442,654	10,477,035	13,339,235	11,519,332	66,155,742	0.05%	98.22%
	1152	Motorboat fees	12,549,673	12,358,613	12,687,392	12,562,562	12,224,132	62,382,372	0.05%	98.26%
	1206	Solid waste disposal fees	10,946,036	11,764,753	12,282,791	12,831,002	12,953,236	60,777,818	0.04%	98.31%
	1169	Other registration fees	11,501,235	11,916,069	11,926,930	12,158,837	12,429,855	59,932,926	0.04%	98.35%
	1198	Transport load fees	11,195,303	11,567,440	11,633,855	11,529,928	13,238,787	59,165,313	0.04%	98.40%
	1302	Criminal records check fees	11,037,517	12,170,148	11,578,987	11,134,370	12,918,735	58,839,757	0.04%	98.44%
	1303	Other fees	10,976,155	11,062,952	12,192,455	10,500,051	13,908,822	58,640,435	0.04%	98.48%
	1070	Corporation franchise tax	32,211,295	19,512,409	2,743,150	2,240,048	1,614,811	58,321,713	0.04%	98.52%
	1518	US Department of Justice	2,856,329	5,251,610	4,430,759	4,112,224	40,216,518	56,867,440	0.04%	98.57%
	1266	Financial institutions examination fees	10,676,424	10,386,467	11,444,946	11,138,716	11,659,106	55,305,659	0.04%	98.61%

Appendix D

Review of Article X, Sections 16 Through 24,

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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2015	2016	2017	2018	2019			
1328		Sales of fixed assets - control	6,972,758	8,237,789	16,771,373	10,326,660	11,440,310	53,748,890	0.04%	98.65%
1551		County mental health programs	11,311,919	12,946,158	12,412,049	8,557,588	7,206,115	52,433,829	0.04%	98.68%
6007		Mail/freight services	9,761,536	9,619,041	9,605,392	9,291,754	9,789,843	48,067,566	0.04%	98.72%
1132		Overdimension/overweight permits - Amendment 3	9,277,614	9,563,794	9,377,774	9,565,985	9,774,441	47,559,608	0.03%	98.75%
1094		Ambulance service reimbursement allowance	7,894,871	7,863,496	9,781,742	11,366,127	10,637,791	47,544,027	0.03%	98.79%
6035		Taxes	9,609,364	8,613,452	7,653,994	8,380,299	8,188,913	42,446,022	0.03%	98.82%
1295		Intervention fees	8,503,124	8,429,899	7,414,914	8,028,733	8,573,586	40,950,256	0.03%	98.85%
1262		Loan administration fees	7,127,199	8,311,128	9,385,819	8,484,187	7,418,830	40,727,163	0.03%	98.88%
1822		Outlawed checks	5,551,795	7,914,090	9,367,114	8,047,892	9,417,971	40,298,862	0.03%	98.91%
1316		Manufactured product sales	8,418,694	7,456,017	7,814,296	8,355,266	7,321,967	39,366,240	0.03%	98.94%
1049		Heavy beer tax	7,708,889	7,798,378	7,666,892	7,437,210	7,517,441	38,128,810	0.03%	98.96%
1335		Canteen sales	-	-	-	-	37,504,377	37,504,377	0.03%	98.99%
1220		Lab fees	6,079,666	6,305,303	7,957,512	8,623,532	8,409,131	37,375,144	0.03%	99.02%
All other revenue source codes			281,556,071	263,717,538	279,080,418	265,329,328	252,888,961	1,342,572,316	0.98%	100.00%
Total Revenues			\$ 25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266	136,919,740,404		

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Appendix E

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) "**Total state revenues**" includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) "**Personal income of Missouri**" is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) "**General price level**" means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a) There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the



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fiscal year for which the calculation is being made, or the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b) For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c) The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d) If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--definitions--compliance procedure, remedies.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase shall be measured by



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the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.



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Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a) Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b) The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.



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Section 24. Voter approval requirements not exclusive--self-enforceability.

(a) The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b) The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).