

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3237-01
Bill No.: SB 866
Subject: Employees - Employers; Tax Credits; Salaries
Type: Original
Date: January 10, 2008

Bill Summary: This proposal restricts favorable tax treatment and loan eligibility for employers.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State, Department of Revenue, Department of Economic Development, Office of Administration, Department of Higher Education, Department of Agriculture, Department of Labor and Industrial Relations** assume that there is no fiscal impact from this proposal to their respective departments.

Officials at the **Department of Natural Resources** assumes this would be a minimal fiscal impact and could be absorbed with existing resources.

Officials at the **Administrative Hearing Commission** anticipate this proposal would not significantly increase their caseload. However, if other similar bills also pass, there will be a fiscal impact.

Oversight assumes that the Administrative Hearing Commission could absorb the cost of this proposal with existing resources.

Officials at the **Office of the Attorney General (AGO)** states that this proposal allows employers to appeal department decisions that would make an employer ineligible for state tax credits, abatements, exemptions or loans for five years. The AGO is responsible for defending department determinations before the Administrative Hearing Commission. AGO assumes that the number of employers who may be in violation of this proposal's requirements and who may then subsequently appeal the department's decision that terminates its state tax credits, abatements, exemptions or loan is unknown. As a result, AGO assumes costs are unknown, but under \$100,000.

Oversight assumes that since the proposal changes the criteria for eligibility for tax credits, abatements, exemptions or loan that an employer will not apply unless they met all the eligibility requirements. Therefore, Oversight assumes that there will be minimum costs associated with this proposal and that those costs could be absorbed with existing resources.

| <u>FISCAL IMPACT - State Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

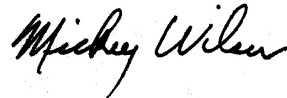
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

SOURCES OF INFORMATION

Office of the Secretary of State
Office of Administration
Department of Revenue
Department of Natural Resources
Department of Economic Development
Department of Higher Education
Office of the Attorney General
Department of Agriculture
Department of Labor and Industrial Relations
Administrative Hearing Commission



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Director
January 10, 2008