

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3497-01
Bill No.: SB 718
Subject: Business and Commerce; Economic Development; Employees-Employers; Tax Credits
Type: Original
Date: January 7, 2008

Bill Summary: This proposal extends the sunset on job retention project tax credits under the Missouri Quality Jobs Act.

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 from the **Department of Revenue** assume the proposal will not fiscally impact their agency.

Officials from the **Office of Administration - Budget and Planning (BAP)** state the proposal extends the sunset on the jobs retention portion of the Quality Jobs program. The proposed legislation will not impact general and total state revenues, but the extension of the program may induce other economic benefits which may generate additional revenues. BAP defers to the Department of Economic Development for any such estimate.

Officials from the **Department of Economic Development (DED)** state the extension of the sunset date on the retention portion of the Quality Jobs program would likely have no impact on general revenue within the next three fiscal years. DED has issued \$1.5 million of the \$2 million. Credits are issued for five years so DED only has \$500,000 to issue. The extension would allow DED to issue this \$500,000 for retention. However, not extending the date would only mean the unused portion of the \$2 million in credits would roll into the over-all \$40 million to be used otherwise. There would likely be no net fiscal impact as the credit would be issued under one program or another. DED assumes no fiscal or administrative impact from this proposal.

Oversight assumes the proposal would not have a fiscal impact since, as DED pointed out, the unused portion of the job retention program tax credits would roll into the over-all \$40 million annual limit.

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

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses that may qualify for the job retention program tax credits within the Quality Jobs Act could be fiscally impacted as a result of this proposal.

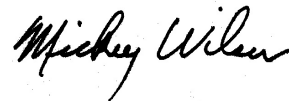
FISCAL DESCRIPTION

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

Department of Economic Development
Office of Administration
Budget and Planning
Department of Revenue



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Director
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