COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0031-15
Bill No.: HCS for SS for SCS for SB 8
Subject: Abortion; Agriculture and Animals; Banks and Financial Institutions; Business and Commerce; Charities; Children and Minors; Conservation Dept.; Corporations; Disabilities; Economic Development; Economic Development Dept.; Enterprise Zones; Environmental Protection; Health Care; Historic Preservation; Insurance - General; Taxation and Revenue - General; Taxation and Revenue - Income; Taxation and Revenue - Property; Taxation and Revenue - Sales and Use; Tax Credits
Type: Original
Date: October 5, 2011

Bill Summary: This proposal modifies provisions of Missouri tax credit programs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
GENERAL REVENUE	Unknown greater than $69,011,524 to (Unknown greater than $14,470,213)	Unknown greater than $69,011,524 to (Unknown greater than $25,138,784)	Unknown greater than $69,011,524 to (Unknown greater than $21,312,882)
Total Estimated Net Effect on General Revenue Fund	**Unknown greater than $69,011,524 to (Unknown greater than $14,470,213)**	**Unknown greater than $69,011,524 to (Unknown greater than $25,138,784)**	**Unknown greater than $69,011,524 to (Unknown greater than $21,312,882)**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 30 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
CONSERVATION COMMISSION FUND	(Unknown)	(Unknown)	(Unknown greater than $100,000)
PARKS, SOIL & WATER FUND	(Unknown)	(Unknown)	(Unknown greater than $100,000)
SCHOOL DISTRICT TRUST FUND	(Unknown)	(Unknown)	(Unknown greater than $100,000)
MO HOUSING TRUST FUND	(Unknown)	(Unknown)	(Unknown)
MO HOUSING DEVELOPMENT COMMISSION FUND	$0	$0	$0
MO JOBS DEVELOPMENT FUND	$0	$0	$0
MO JOBS COMMUNITY COLLEGE NEW JOBS TRAINING FUND	$0	$0	$0
MO JOBS COMMUNITY COLLEGE JOB RETENTION TRAINING FUND	$0	$0	$0
Total Estimated Net Effect on Other State Funds	**(Unknown)**	**(Unknown)**	**(Unknown greater than $300,000)**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
GENERAL REVENUE	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	**2 FTE**	**2 FTE**	**2 FTE**

☐ 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 2012	FY 2013	FY 2014
Local Government	**(Unknown)**	**(Unknown)**	**(Unknown greater than $100,000)**

FISCAL ANALYSIS

ECONOMIC DEVELOPMENT PROVISIONS
Section 32.115 Development Tax Credits
Officials at the **Budget and Planning** (**BAP**) assume the Development Tax Credit Program sunsets with enactment of this proposal. BAP notes that an average of $1.2 million in credits has been redeemed under this program over the last three fiscal years. This proposal may increase general and total state revenues by a similar amount. This program may have encouraged other economic activity, but BAP cannot estimate the loss of revenues that would have otherwise been induced by these programs.

Oversight assumes this proposal stops the issuance of this tax credit upon passage of this proposal. This program has an annual cap of $6 million. In FY 2010, the tax credit issued $2,713,000 in credits and $1,589,618 were redeemed. Oversight for the fiscal note is showing the amount of increased revenue to the State as being equal to the average amount issued over the last five years.

Section 67.2050 Technology Business Facilities
Oversight assumes these provisions are permissive and will not include a direct fiscal impact to the state or to local governments in this fiscal note.

Sections 67.3000 & 67.3005 Sporting Event Tax Credit
Officials at the **Budget and Planning** (**BAP**) assume this proposal would allow $3 million in tax credits annually, based on ticket sales and eligible event costs, in order to attract sporting events to Missouri. This proposal could therefore lower general and total state revenues up to this amount annually. Additionally, this proposal creates a tax credit program, up to $10 million annually, for eligible donations made to certified sponsors or local organizing committees. These agencies are required to submit payment to the state in amount equal to 50% of the donation, the equivalent amount of the tax credit. Therefore, this proposal will not directly impact general and total state revenues.

This proposal may encourage other economic activity, but BAP does not have data to estimate the induced revenues.

Officials at the **Department of Revenue** assume the department and ITSD-DOR will need to make programming changes to various tax systems and form changes. DOR's Personal Tax Division assumes the need of one Revenue Processing Technician I per 6,000 credits claimed. Additionally, DOR's Corporate Division assumes the need of one Revenue Processing Technical I per 6,000 additional tax credit redemptions.

Oversight assumes there would be a limited number of entities eligible for this exemption that DOR could absorb the additional workload with existing resources. If this proposal created a significant unanticipated increase in the DOR workload, or if multiple such proposals were

ASSUMPTION (continued)

implemented, resources could be requested through the budget process.

Oversight notes that this program would allow for the issuance of $3 million in tax credits per year for the purpose of attracting large-scale sporting events to the state. The program would also provide for up to $10 million per year in tax credits for the support of operating costs of the events, but the event promoters would purchase the tax credits in advance from the state.

Officials at the **Department of Economic Development** (**DED**) anticipate that the implementation of this tax credit program would result in the need for one additional FTE to administer the program. The FTE would be an Economic Development Incentive Specialist III and would be responsible for reviewing the tax credit applications to make sure they meet the criteria of the program, certifying the project, determining the geographic boundaries of the market area for the event, drafting and sending the tax credit awards and ensuring compliance with the program. The related costs for this FTE include one-time expenditures for systems furniture, a side chair, file cabinet, calculator and telephone and recurring costs for office supplies, computer, professional development and travel. The cap for this new tax credit is $13 million per fiscal year, so there would be a negative impact to total state revenue. However, this negative impact would be offset by an unknown short-term positive economic benefit as a result of this increase, so the exact amount of the impact cannot be determined. A sunset date is established of August 28, 2017.

Oversight has, for fiscal note purposes only, changed the starting salary for the additional position to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the **Oversight** Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes DED's estimate of expense and equipment cost for the new FTE could be overstated. If DED is able to use existing desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2012 could be reduced by roughly $6,400.

Oversight will range the fiscal impact of the programs from $0 (no additional tax credits would be issued) to the annual limit of $3 million for the promotional tax credits. **Oversight** assumes there would be some positive economic benefit to the state as a result of the changes in this proposal; however, **Oversight** considers these benefits to be indirect and therefore, have not reflected them in the fiscal note. For fiscal note purposes only, **Oversight** will not indicate any impact for the pre-purchase form of tax credits.

ASSUMPTION (continued)

Section 99.1205 Distressed Area Land Assemblage Tax Credit
Officials at the **Budget and Planning (BAP)** assume this proposal makes several changes to this program, including allowing 100% of all interest costs to be eligible for the credit. However, the overall program cap of $95 million is not amended. To the extent these changes encourage increased usage of the program, general and total state revenues may be reduced. These changes may also impact associated economic activity, but BAP cannot estimate these impacts. BAP notes that this proposal removes the five-year limitation on credits for interest costs.

Officials at the **Department of Economic Development** assume no direct impact to their agencies as a result of this proposal.

Oversight assumes this proposal increases the yearly cap from $20 million annually to $30 million annually beginning on January 1, 2012. Oversight will show the increase in the yearly cap as $0, no more credits issued, to $10 million, all the additional credits issued. Oversight assumes the $95 program cap on this program has not changed and therefore this program could stop as early as 2014.

Section 135.090 Surviving Spouse Tax Credit
Oversight assumes this tax credit was to sunset on August 28, 2013. This proposal extends the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued in FY 14. **Oversight** for the fiscal note is showing the amount of loss of revenue to the State as being equal to the amount issued in FY 10.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Sections 135.326 & 135.327 Special Needs Adoption/Children In Crisis Tax Credit
Officials at the **Budget and Planning (BAP)** assume this proposal would make international adoptions ineligible for reimbursement under the Adoption Tax Credit program. BAP defers to the DOR for an estimate of any savings.

Officials at the **Department of Revenue** assume that there is no fiscal impact from this proposal.

Oversight assumes this proposal changes the definition of nonrecurring adoption expenses. It is unclear the amount of savings that would result in the number of tax credits issued. **Oversight** will show the savings as Unknown.

Oversight assumes this tax credit was to sunset on August 28, 2012. This proposal extends the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued in

ASSUMPTION (continued)

FY 13 and FY 14. **Oversight** for the fiscal note is showing the amount of loss of revenue to the State as being equal to the average amount issued over the last five years.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Section 135.350 and 135.352 Low-Income Housing Tax Credit

Officials at the **Budget and Planning** (**BAP**) assume this proposal limits the new authorizations for the LIHTC program to $110 million annually for projects not financed through tax exempt bond issuance (i.e., the 9% program). BAP notes the MHDC projected new authorizations of $192 million annually, over a 10-year period, for FY's 11&12, and this amount may grow higher as the overall economy recovers or the need for housing grows.

BAP assumes this proposal reduces the amount of credits available under the tax-exempt bond option to $20 million in FY's 12-15, then to $0 in subsequent years. Additionally, this proposal prohibits the "stacking" of certain LIHTC credits with Historic credits.

Other economic activity may be reduced as a result of this proposal. BAP cannot estimate the loss of any revenues associated with these changes.

This provision would limit the issuance of Missouri Low Income Housing Tax Credits to $110 million per year for projects authorized on or after July 1, 2011. The tax credits could be carried back two years and carried forward five years.

Officials at the **Missouri Housing Development Commission** assume this bill adds the language that no more than $60 million in 4% credits for tax exempt bonds shall be authorized on or before June 30, 2011. Additionally, this bill would cap the 9% Missouri Low Income Housing Tax Credit (Mo. LIHTC) to $100 million per fiscal year beginning on or after July 1, 2011. The state would see a reduction in the annual amount of Mo. LIHTC issued and redeemed as a result of this provision. However, because of the significant lag time between authorization, issuance and redemption of credits, it would take several years for the full impact of this change to be realized.

For 4% LIHTC credits allocated with tax exempt bond financing, there shall be a $20 million dollar cap on tax credit authorizations beginning on or after July 1, 2011. Currently, there is a $60 million cap on the authorization of annual 4% credits. This bill would result in a corresponding increase in General Revenue. However, because of the significant lag time between authorization, issuance and redemption of credits, it would take several years for the full

ASSUMPTION (continued)

impact of this change to be realized.

The Mo. LIHTC is currently, a 10-year credit, as a result, the full impact of the reductions in tax credit issuances and redemptions would be phased in through FY25 (reduction in redemptions and corresponding increase in General Revenue). We are unable to provide a projection of savings to the reduction in LIHTC in such a short time frame. The fiscal impact on Affordable Housing Assistance Program would be the sunset of the program after 8/28/2015.

FY	AHAP Long-Range Impact	Mo. LIHTC Long-Range Impact
FY12		$0
FY13		$0
FY14		Unknown
FY15		Unknown
FY16	Unknown to $11,000,000	Unknown
FY17	Unknown to $11,000,000	Unknown
FY18	Unknown to $11,000,000	Unknown
FY19	Unknown to $11,000,000	Unknown
FY20	Unknown to $11,000,000	Unknown
FY21	Unknown to $11,000,000	Unknown
FY22	Unknown to $11,000,000	Unknown
FY23	Unknown to $11,000,000	Unknown
FY24	Unknown to $11,000,000	Unknown
FY25 and future years	Unknown to $11,000,000	Unknown

The fiscal impact associated with this legislation would be the savings to the state associated with $40 million reduction in the 4% Mo. LIHTC and capping the annual amount of 9% Mo. LIHTC authorized to $100 million. Under such a deadline to respond we are unable to estimate the potential fiscal impact of the legislation for the LIHTC for each year but the savings would be realized over a 15 year period beginning in approx. 2015.

Of course, there is no fiscal impact associated with tax credits until they are redeemed. However because both the Mo. LIHTC and AHAP have carry forward provisions, it is impossible to predict with certainty the timing of future redemptions.

JH:LR:OD

ASSUMPTION (continued)

Oversight notes that this provision, if enacted, would substantially reduce the issuance of Missouri Low Income Housing Tax Credits. Oversight also assumes that the reduction would begin to have an impact in FY 2013 since projects approved after June 30, 2011 would not result in tax credits issued until after the end of FY 2012. For fiscal note purposes, Oversight will indicate additional revenue from the reduction in tax credits greater than $100,000 per year for each fiscal year.

Sections 135.484 Neighborhood Preservation Tax Credit
Officials at the **Budget and Planning** (**BAP**) assume this proposal sunsets this program upon enactment. BAP notes redemptions under this program totaled $6.7 million in FY10, and $4.4 million in FY11. This proposal will increase general and total state revenues by similar amounts, but other economic activity may be reduced.

Oversight assumes this proposal stops the issuance of this tax credit upon passage of this proposal. This program has an annual cap of $16 million. In FY 2010, the tax credit issued $5,987,555 in credits and $6,739,113 were redeemed. Oversight for the fiscal note is showing the amount of increased revenue to the State as being equal to the average amount issued over the last five years**.**

Section 135.535 Rebuilding Communities Tax Credit
Oversight assumes this proposal removes the provision allowing the Disabled Access Individual to use any remaining tax credits. The Disabled Access Individual tax credit is being stopped per this proposal so **Oversight** will not show any impact from this provision.

Section 135.562 Disabled Access Individual Tax Credit
Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Section 135.630 Pregnancy Resource Center Tax Credit
Officials at the **Budget and Planning** (**BAP**) assume this proposal extends the Pregnancy Resource Center credit from 8/28/12 until 8/28/15. $1.2 million in credits were redeemed in FY10. This will continue the current reduction in general and total state revenues by similar amounts in FY 13 and beyond.

Oversight assumes this tax credit was to sunset on August 28, 2012. This proposal extends the tax credit and therefore Oversight will show the loss to state revenue of the tax credits issued in

ASSUMPTION (continued)

FY 13. Oversight for the fiscal note is showing the amount of loss of revenue to the State as being equal to the average amount issued in the last four years.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Section 135.647 Food Pantry Tax Credit
Officials at the **Budget and Planning (BAP)** assume this proposal extends the Food Pantry credit from 8/28/11 until 8/28/15. $0.8 million in credits were redeemed in FY10. This will continue the current reduction in general and total state revenues by similar amounts in FY 12 and beyond.

Oversight assumes this tax credit was to sunset on August 28, 2011. This proposal extends the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued in FY 12, FY 13 and FY 14. **Oversight** for the fiscal note is showing the amount of loss of revenue to the State as being equal to the average amount issued over the last three years.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Section 135.700 Wine and Grape Tax Credit
Oversight assumes this proposal places a $200,000 cap on the tax credit beginning January 1, 2012. The five year issuance average of the tax credit is $157,579; therefore, **Oversight** will not show this provision as having an impact.

Section 135.825 Review of all tax credits being sunset
Officials at the **Legislative Research Oversight Division** assume no additional cost.

Oversight assumes that the review of the tax credits would be handled as a part of the regular duties of the staff and can be handled with existing resources.

Section 135.1150 Residential Treatment Tax Credit
Officials at the **Budget and Planning (BAP)** assume this proposal extends the Residential Treatment Agency credit from 8/28/12 until 8/28/15. $.6 million in credits were redeemed in

ASSUMPTION (continued)

FY10. This will continue the current reduction in general and total state revenues by similar amounts in FY 13 and beyond. In addition, under this proposal credits are available for 100% rather than 40% of payments which will increase the reduction in general and total state revenues by an estimated $.9 million annually.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2015. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2016.

Section 135.1180 Developmental Disability Care Provider Tax Credit
Officials at the **Department of Social Services** (**DOS**) assume this bill will create another tax credit for DOS to administer. The administration should be able to be accomplished with existing staff.

In response to similar legislation filed during regular session, SB 100, officials at the **Department of Revenue** (**DOR)** assume this section creates the "Developmental Disability Care Provider Tax Credit Program." This tax credit is for all tax years beginning on or after January 1, 2011, taxpayers will be allowed a credit against the taxes due under Chapters 143, 147, or 148 excluding withholding tax in an amount equal to 50% of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability. The credit is not refundable and may be carried forward four years. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer.

A provider may submit to DOS an application for the tax credit on behalf of taxpayers. DOS may create rules to implement the provisions of this section. The provisions of this program will sunset four years after August 31, 2011 unless re-authorized by the General Assembly.

DOR assumes DOR and ITSD-DOR will need to make processing changes to multiple processing systems. The Department will need to make forms changes. In addition Personal Tax will need a Revenue Processing Technician (starting salary $25,380) to handle the tax credit redemptions.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this

ASSUMPTION (continued)

proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight assumes that due to the limited number of individuals currently taking advantage of this program that DOR could absorb the duties of this bill with existing staff.

Oversight assumes that section 135.1180.4(3) requires payment from the provider equal to the amount of the value of the tax credit. However, the overall result of this proposal is no impact to total state revenue.

Sections 135.1500, 135.1507, 135.1509, 135.1511, 135.1519 & 135.1521 Missouri Export Act
Officials at the **Budget and Planning** (**BAP**) assume qualifying transporters are eligible to receive air export tax credits based on shipment weights. The total amount of credits available is $60 million. This proposal may reduce general and total state revenues by $0.855 million in CY11, $7.55 million in CY12, and up to $3.6 million annually in CY13 and beyond. This proposal may encourage other economic activity. BAP cannot estimate the induced revenues.

Officials from the **Department of Economic Development** (**DED**) assume this proposal would establish the Missouri Export Act to encourage foreign trade and would require DED to administer the tax credit program. DED assumes a negative fiscal impact in excess of $100,000. DED would require one additional FTE's to administer the program due to the anticipated amount of administration involved. The FTE would be Economic Development Incentive Specialist III's and would be responsible for reviewing and approving the applications for the program to determine eligibility, establishing procedures, reviewing the tax credit applications to make sure they meet the criteria of the program, drafting and sending the tax credit awards, and ensuring compliance with the program.

The proposal would authorize the City of St. Louis or any county to designate gateway zones. The air export tax credit would be a 30% credit with an aggregate cap of $60 million. Freight forwarders would be required to file an application with DED in order to receive the tax credits which would be based on the weight and type of freight. These credits could be carried forward. The proposal would require DED to establish procedures to allow freight forwarders to receive air export tax credits within five business days of the departure of the qualifying flight.

Oversight has, for fiscal note purposes only, changed the starting salary for the additional position to correspond to the second step above minimum for comparable positions in the state’s merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

ASSUMPTION (continued)

Oversight assumes the DED estimate of expense and equipment cost for the new FTE could be overstated. If DED is able to use existing desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2012 could be reduced by roughly $6,450.

Officials at the **Department of Revenue** assume the department and ITSD-DOR will need to make programming changes to various tax systems and form changes. DOR's Personal Tax Division assumes the need of one Revenue Processing Technician I per 6,000 credits claimed. Additionally, DOR's Corporate Tax Division would need one revenue processing technician I per 6,000 additional tax credit redemptions and one revenue processing technician I per 7,800 pieces of additional withholding correspondence processed.

Oversight assumes there would be a limited number of entities eligible for this exemption that DOR could absorb the additional workload with existing resources. If this proposal created a significant unanticipated increase in the DOR workload, or if multiple such proposals were implemented, resources could be requested through the budget process.

Oversight has indicated a cost for the tax credits based on the authorized tax credit amounts in the proposal. Air export tax credits are limited to $850,000 in FY 2012, $7.55 million in FY 2013, and $3.6 million in FY 2014. All costs are assumed to be paid from, or impact the General Revenue Fund.

Section 144.810 Sales and Use Tax Exemption for Server Farms and Data Storage Facilities
Officials from the **Department of Economic Development** (**DED**) assumed the proposal would create a state and local sales and use tax exemption for data storage centers. The data storage centers that seek a tax exemption would be required to submit a project plan to the DED, and DED would be responsible for certifying the projects in conjunction with the Department of Revenue (DOR). The proposed legislation would also require random audits to ensure compliance with the intent the data storage centers and server farm facilities indicated in their project plan.

DED is unable to determine the exact impact the proposed legislation will have on total state revenue and therefore would anticipate an unknown impact to total state revenues over $100,000.

DED is responsible for determining eligibility for the exemption and also for the compliance and auditing functions required by the proposed legislation and anticipates the need for one additional FTE. This FTE would be an Economic Development Incentive Specialist III and would be responsible for reviewing the project plan applications to make sure they meet the criteria of the program and conducting random audits to ensure compliance with the program.

ASSUMPTION (continued)

DED submitted a cost estimate for the proposal including salaries, benefits, equipment, and expense totaling $60,576 for FY 2012, $65,674 for FY 2013, and $66,406 for FY 2014.

Oversight assumes there would be a limited number of entities eligible for this sales and use tax exemption and that DED could absorb the additional workload with existing resources. If this proposal created an unanticipated increase in the DED workload, or if multiple proposals were implemented which created a substantial increase in the DED workload, resources could be requested through the budget process.

In response to similar legislation filed during regular session, SB 217, the following responded to Oversight as follows:

Officials from the **Department of Revenue** (**DOR**) assumed the proposal would create a sales and use tax exemption for data center operations. The proposal would reduce state revenues.

Beginning upon passage of this legislation, the following would be exempt from sales and use tax:

* all electrical energy, gas, water and other utilities including telecommunication services used in a new data storage center
* All machinery, equipment and computers used in any new data storage center, and
* All sales at retail of tangible personal property and materials for constructing, repairing, or remodeling any new data storage center.

DED would conduct random audits, and DED and DOR would create rules to carry out the provisions of this legislation. DOR and ITSD-DOR would make programming changes to the sales tax processing system (MITS).

The Department and ITSD-DOR would also make programming changes to the sales tax processing system (MITS). DOR did not provide an estimate of IT costs for the programming changes.

Oversight assumes ITSD-DOR is provided with core funding to handle a certain amount of normal activity each year. **Oversight** assumes ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

Officials at the **Budget and Planning** (**BAP**) assume this proposal would define the following data center projects;

* Expanding or replacement facility -- $5 million investment within 12 months and 5 new jobs.
* New facility - a new facility with investment of $37 million over 36 months nad 30 new jobs.

ASSUMPTION (continued)

This proposal provides a sales tax exemption for inputs of production used by new data storage centers. Further, this proposal provides a sales tax exemption for certain inputs of production used by expanding data storage centers, to the extent the amount of new inputs exceed current input levels. Exemptions are limited to the projected fiscal impact of the project over 10 years. This proposal will not impact current general and total state revenues, but may result in future forgone revenue.

Oversight notes that this proposal would require a minimum $5 million investment in a new facility within thirty-six months, or a minimum $1 million investment in an expanding facility within twelve months. The proposed project would require approval by the Department of Economic Development (DED) which would conditionally certify the project to the Department of Revenue (DOR). Upon completion of the project, DED would certify the project eligibility to DOR, and DOR would refund the sales tax paid on the project.

If the proposal became effective October 1, 2011, construction could begin late in FY 2012 and would likely not be completed until late in FY 2013. Refunds would not likely be certified and paid to project owners until FY 2014.

Oversight is not aware of any existing or planned projects which could qualify for the program, but if one new facility project was completed in time for a refund to be paid in FY 2014, the sales tax amounts could be computed as follows. **Oversight** assumes the entire $5 million investment would qualify for the exemption.

Entity	Sales Tax Rate	Sales Tax
General Revenue Fund	3%	$150,000
Conservation Commission Fund	1/8%	$6,250
School District Trust Fund	1%	$50,000
Parks, and Soil and Water Funds	1/10%	$5,000
Local Governments	Average 2.5%	$125,000

For fiscal note purposes, **Oversight** will assume a significantly larger project would be completed in FY 2014 and will indicate an unknown revenue reduction in FY 2012 and FY 2013, and a revenue reduction in excess of $100,000 for FY 2014 for the General Revenue Fund, for local governments, and for other state funds which receive sales tax revenues.

ASSUMPTION (continued)

Section 208.770 Family Development Account Tax Credit
Oversight assumes that for all taxable years beginning on or after January 1, 2012, this act decreases the Family Development Account Tax Credit from a fifty percent credit for the first $1,000 in contribution and a thirty-five percent credit for anything over $1,000. This tax credit has an annual cap of $300,000. In FY 2010, $25,000 in tax credits were issued and $3,000 were redeemed.

Oversight using the FY 10 amount of tax credits calculated the amount of potential savings that could have occurred if the new reduced 35% rate proposed in this legislation would have been in place in FY 10 for all contributions. At the new 35% rate only $17,500 tax credits would have been issued and therefore the potential savings would have been $7,500. There is no way for **Oversight** to know how many of the FY 10 contributions gave more than the $1,000.

Oversight can not predict how taxpayers may react to the change in the amount they can claim and therefore can not predict whether there will be a reduction in the amount of the tax credits applications. **Oversight** assumes the proposed changes could result in a reduced amount of tax credits being issued in future fiscal years. **Oversight** will show a projected increase in net revenues as being Unknown.

Section 215.020, 215.030, 215.033 and 215.034 Missouri Housing Development Commission
Officials at the **Missouri Housing Development Commission (MHDC)** assume that MHDC is currently operating in Fiscal Year 2012, and has issued a Notification of Funding (NOFA) and a Qualified Allocation Plan (QAP) for the current fiscal year. Changes occurring during this fiscal year would impact funding amounts for entities applying under our current NOFA and QAP.

Oversight assumes that many of the new provisions in this proposal change how board members are elected, serve and conduct meetings. Oversight assumes no impact from those provisions.

Oversight assumes this proposal creates a new state fund called the "Missouri Housing Development Commission Operating Budget Fund". This fund is to be used solely for the operating expenses and administration of the Missouri Housing Development Commission. Oversight will show the transfer out of general revenue money into this new fund. Additionally money for the Missouri Housing Trust Fund is to be transferred to this new fund. Oversight has shown these transfer of moneys in the fiscal note.

<u>ASSUMPTION</u> (continued)

<u>Sections 253.545, 253.550, 253.557 and 253.559 Historic Preservation Tax Credit</u>
Officials at the **Budget and Planning** assume an unknown savings from this proposal. Additionally, other economic activity may be reduced as a result of this proposal. BAP cannot estimate the loss of any revenues associated with this reduction.

Officials at the **Department of Economic Development** (**DED**) assume the proposal reduces the cap of the program from $140 million to $80 million. And requires applications to include a cost certification performed by a licensed certified public accountant. DED is required to issue the lesser of 75% of the amount of tax credits within 120 days of receipt of the application and cost certification.

DED requires one additional FTE's to administer the program due to the anticipated amount of administration involved. The position would be an Accountant III position. The position would be responsible for general oversight of the program, reviewing and approving the applications for the program to determine eligibility, establishing procedures, reviewing the tax credit applications to make sure they meet the criteria of the program, drafting and sending the tax credit awards, ensuring compliance with the program.

Oversight assumes this proposal, beginning in FY 2011, would lower the cap and not allow the issuing of more than eighty million dollars in historic preservation tax credits. Oversight will show the increase in net revenues of $60 million per fiscal year.

Oversight assumes this proposal prohibits the stacking of historic preservation tax credits with low-income housing tax credits. Therefore, Oversight assumes the proposed changes could result in a reduced amount of tax credits being issued in future fiscal years. Oversight will show a projected increase in net revenues as being Unknown.

Oversight assumes that DED can absorb the duties of this proposal with existing resources. Should DED experience a measurable increase in its workload as a direct result of this proposal then DED could request additional FTE in future budget requests.

<u>Section 447.708 Brownfield Tax Credits</u>
Officials at the **Budget and Planning** (**BAP**) assume this act prohibits authorizations of Brownfield credits exceeding $40 million per fiscal year. BAP notes redemptions for this program totaled $17.6 million in FY10, but exceeded $25 million in preceding years. This proposal also prevents the stacking of Brownfields and New or Expanded Business Facility credits.

ASSUMPTION (continued)

Oversight assumes this proposal beginning July 1, 2011 to June 30, 2015 places a $40 million cap on the Brownfield tax credits. The cap is lowered after July 1, 2015. This lowered cap is outside the fiscal note period. Currently the program has no cap. The five year issuance average is $20,739,465 therefore **Oversight** will not show the new cap having an impact on the state in this fiscal note.

Sections 620.800, 620.803; 620.806; 620.809 Missouri Jobs Training Program
Officials at the **Budget and Planning** (**BAP**) assume this proposal combines and streamlines the existing Customized Training Program, the Community College New Jobs Training Program (NJTP), and the Community College Retained Jobs Training Program (RJTP).

While these provisions have no direct impact to general revenue or total state revenue, certain provisions in the proposal have budget implications. The proposal reduces the length of time (from two years to one year) that jobs must be maintained at the project facility for the calendar year preceding the year in which the application for either NJTP or RJTP is made. This change may have implications for the number of employers who are eligible for and take part in the Missouri Jobs Training Program.

The current authorization for the Community College New Jobs Training Program is $55 million. The current authorization for the Community College Jobs Retention Training Program is $45 million. If this proposal passes as is, the current caps would be re-authorized in statute. The proposal allows the Missouri Job Training Joint Legislative Oversight Committee to raise the current caps; the committee has the same power in current statute.

Officials at the **Department of Economic Development** and the **Department of Higher Education** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Revenue** (**DOR**) assume the department will need to make form changes.

Oversight assumes this proposal creates a new jobs credit and a retained jobs credit that allow a credit from withholding taxes. This proposal creates the following funds:

MO Jobs Development Fund which shall be funded through appropriation by the legislature so Oversight is showing the funding as coming from general revenue. Additional funding can be received from gifts, grants and other private sources. **Oversight** assumes that all money received by this fund will be distributed per this proposal.

ASSUMPTION (continued)

MO Jobs Community College New Jobs Training Fund which shall receive money from the new jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed to community colleges per this proposal.

MO Jobs Community College Job Retention Training Fund which shall receive money from the retained jobs credits, gifts, and other sources. **Oversight** assumes that all money received by this fund will be distributed per this proposal.

Oversight is not able to predict the extent to which these sales tax exemptions would be utilized and will indicate a reduction is sales tax revenues to the General Revenue Fund, other state funds which receive sales and use tax revenues, and local governments. The extent to which those revenue reductions would be replaced by sales taxes on additional economic activity induced as a result of the underlying program can not be predicted, but Oversight considers that to be prospective and will not reflect that potential revenue in this fiscal note.

Sections 620.1878 and 620.1881 Quality Jobs Tax Credit
Officials at the **Budget and Planning (BAP)** assume this proposal modifies the Quality Jobs Program by creating a new category of Job Retention projects. The $80 million cap on the MQJ tax credits is not modified. This proposal allows for increased withholding retention, or tax credits, for qualifying retention projects.

This proposal may reduce general and total state revenues by an unknown amount. This proposal may encourage other economic activity. BAP cannot estimate the induced revenues.

Officials at the **Department of Economic Development** assume that since the overall cap of $80 million is not impact, then this will have little impact on DED.

Oversight assumes the proposal creates a new tax credit of up to 100% of the withholding tax for the "job retention projects" under the quality jobs tax credit program. This new credit has a $6 million yearly cap beginning in FY 12.

Oversight assumes the proposal creates a new tax credit of up to 7% of new payroll for the "new jobs created in a targeted industry" under the quality jobs tax credit program. This new credit has a $10 million yearly cap beginning in FY 12.

Oversight assumes that since the $80 program cap is unchanged this proposal would have no affect on state revenue.

ASSUMPTION (continued)

Revisions to Existing Caps
Officials at the **Department of Economic Development** stated:

Section 135.352 (Low Income Housing) - Subsection (8) prohibits projects receiving tax credits under the Low Income Housing program from also receiving tax credits under the Historic Preservation program.

Section 208.770 (Family Development Account) - Revises language for all taxable years beginning January 1, 2012 to allow a 50% tax credit for contributions which are equal to or less than $1,000. For contributions in excess of $1,000, in addition to the 50% tax credit, the contributor may receive a tax credit equal to 35% of the excess amount. Allows tax credits to be transferred.

Section 447.708 (Brownfield) - A cap is imposed of $40 million in each Fiscal Year FY2012 through FY2015. Beginning in FY2016, the cap is reduced to $35 million in any one FY. If a project also receives benefits under the Distressed Area Land Assemblage program then the cap is $10 million for FY2012 through FY2015 and $5 million starting in FY2016.

The potential positive fiscal impact from the gradual sunset of tax credit programs in this proposal is shown below based on estimates of the range of potential positive fiscal impact, with the high end of the range represented by the applicable program cap and the low end represented by the average annual authorizations of tax credits under the applicable programs for fiscal years 2007 through 2009. This range reflects the fact although in any fiscal years there is the potential for tax credit authorizations under these programs up to the applicable cap, the actual authorizations are often less than the cap amount.

DED assumes that tax credits previously authorized or issued under any program with a carry forward provision would continue to be redeemed under these programs, notwithstanding the sunset on the agency's authority to authorize new tax credits.

Programs to Sunset Upon Effective Date of Act	Authorization	Effective Date	Savings Based on Average Authorizations (FY07-FY09)	Maximum Savings Based on Current Statutory Cap
Neighborhood Preservation	135.484	Effective Date of Act	$14,126,322	$16,000000
Brownfield Jobs and Investment Act	447.708	Effective Date of Act	$100,000	Unknown (program uncapped)
Total Potential Savings			***$14,226,322***	***$16,000,000***
Programs to Sunset as of 8/28/2014	**Authorization**	**Effective Date**	**Savings Based on Average Authorizations (FY07-FY09)**	**Maximum Savings Based on Current Statutory Cap**

Wine and Grape Growers	135.700	8/28/2014	$183,495	Program currently uncapped ($200,000 cap proposed)
Total Potential Savings			***$183,495***	Program currently uncapped ($200,000 cap proposed
Programs to Sunset as of 8/28/2015	**Authorization**	**Effective Date**	**Savings Based on Average Authorizations (FY07-FY09)**	**Maximum Savings Based on Current Statutory Cap**
Family Development Account	208.770	8/28/2015	$99,995	$300,000
Total Potential Savings			***$99,995***	***$300,000***
Programs to Sunset as of 8/28/2017	**Authorization**	**Effective Date**	**Savings Based on Average Authorizations (FY07-FY09)**	**Maximum Savings Based on Current Statutory Cap**
Brownfield Remediation Tax Credit	447.708	8/28/2018	$22,248,784	Unknown (program uncapped)
Total Potential Savings			***$22,248,784***	**Unknown**

REPEALED STATUTES

Section 135.313 Charcoal Tax Credit
Officials at the **Budget and Planning** assume this program expired at the end of 2005, and the carryforward period is nearly over. This proposal will have no impact on general and total state revenues.

Oversight assumes no impact from this proposal as no new tax credits have been issued since December 31, 2005.

Section 135.575 Missouri Healthcare Access Tax Credit
Oversight assumes no impact from this proposal as this tax credit has never been issued.

Section 143.119 Self Employed Health Insurance Tax Credit
Officials at the **Budget and Planning** assume the Self-Employed Health Insurance Credit. Based on prior redemption patterns, BAP estimates this proposal will increase general and total

ASSUMPTION (continued)

state revenues $1.5 million in FY12, $1.6 million in FY13, $1.7 million in FY14, and $1.8M annually thereafter.

Oversight assumes this proposal repeals the tax credit and stops the issuance of the tax credit upon passage of this proposal. This program does not have an annual cap. In FY 2010, the tax credits issued and redeemed were $1,517,004. **Oversight,** for the fiscal note, is showing the amount of increased revenue to the State as being equal to the average amount issued over the last three years**.**

Sections 178.760, 178.761, 178.762, 178.763, 178.764, 178.892, 178.893, 178.894, 178.895, 178.896, 620.470, 620.472, 620.474, 620.475, 620.476, 620.478, 620.479, 620.480, 620.481 and 620.482 Retention Training Programs

Oversight assumes these provisions were repealed and replaced with the Compete MO Jobs Program stated above.

Bill as a Whole

Officials at the **Department of Agriculture, Office of the State Auditor, Office of the State Treasurer** and the **Department of Higher Education** assume that there is no fiscal impact from this proposal.

Officials at the **Budget and Planning** assume this proposal provides sunsets of various programs without such a sunset. To the extent these proposals are not extended, general and total state revenues will increase, but associated economic activity may be lost.

Officials at the **Department of Social Services** assume the elimination of tax credits administered by the Department would not result in the elimination of any staff. These credits were implemented without any additional staff and no staff is exclusively dedicated to the administration of these credits.

Officials at the **University of Missouri** assume this bill indirectly benefits the University, however, they are unable to determine the impact.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal contains various provisions related to tax credits, phasing some out and creating others. As tax credit programs are phased out, an unknown increase of premium tax revenue will occur. Exact amounts are not known as the amount of premium tax credits taken each year is unknown. Premium tax revenue is split 50/50 between General Revenue and the County Foreign Insurance Fund except for Stock Property and Casualty

ASSUMPTION (continued)

Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasure of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than $2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes the many programs and changes to existing programs in this proposal would have a positive impact on the state. However, **Oversight** considers this to be indirect impact of the proposals and will not reflect them in the fiscal note.

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
Revenue - stopping the tax credit or lowering its cap and collection of the taxes owed			
Development (32.115)	$1,574,478	$1,574,478	$1,574,478
Special Needs/CIC- adoption limits (135.326)	$0	Unknown	Unknown
Neighborhood Preservation (135.484)	$5,908,468	$5,908,468	$5,908,468
Low Income Housing cap changes	Unknown greater than $100,000	Unknown greater than $100,000	Unknown greater than $100,000
Family Development Acc-35% rate (208.770)	$0	Unknown	Unknown
Historic Preservation - reduced cap	Up to $60,000,000	Up to $60,000,000	Up to $60,000,000
Historic Preservation-no stacking	Unknown	Unknown	Unknown
Self Employed Health Insurance	$1,428,578	$1,428,578	$1,428,578
Total All Revenue	Unknown greater than $69,011,524	Unknown greater than $69,011,524	Unknown greater than $69,011,524
Cost - the extension of existing sunsets			
Surviving Spouse -sunset (135.090)	$0	$0	($22,636)
Special Needs/CIC - sunset (135.327)	$0	($2,780,552)	($2,780,552)
Pregnancy Resource Center(135.630)	$0	($1,177,827)	($1,177,827)
Food Pantry - sunset(135.647)	($499,085)	($499,085)	($499,085)
Total Cost of extending sunsets	($499,085)	($4,457,464)	($4,480,100)
Cost - Dept Economic Development			
Personal Service (1 FTE)	($33,510)	($40,614)	($41,020)
Fringe Benefits	($17,539)	($21,257)	($21,470)
Equipment and Expense	($9,515)	($3,789)	($3,901)
Total Cost- DED (Section 67.3000)	($60,564)	($65,660)	($66,391)

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
Cost - Dept of Economic Development			
Personal Service (1 FTE)	($33,510)	($40,614)	($41,020)
Fringe Benefit	($17,539)	($21,257)	($21,470)
Equipment and Expenses	($9,515)	($3,789)	($3,901)
Total Cost - DED (135.1513)	($60,564)	($65,660)	($66,391)
Revenue Reduction - Tax credit for attracting sporting events to Missouri (67.3000)	$0 to ($3,000,000)	$0 to ($3,000,000)	$0 to ($3,000,000)
Revenue Reduction- Increase in the distressed area land assemblage cap (99.1205)	$0 to ($10,000,000)	$0 to ($10,000,000)	$0 to ($10,000,000)
Revenue Reduction - air export tax credit (135.1511)	(Up to $850,000)	(Up to $7,550,000)	(Up to $3,600,000)
Revenue Reduction- sales tax exemption for data storage facilities and server farms (144.810)	(Unknown)	(Unknown)	(Unknown greater than $100,000)
Transfer Out- to the Missouri Housing Development Commission Fund	(Unknown)	(Unknown)	(Unknown)
Transfer Out - MO Jobs Development Fund (620.806)	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
Total All Costs/Revenue Reductions and Transfer-Outs	(Could exceed $14,470,213)	(Could exceed $25,138,784)	(Could exceed $21,312,882)

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**Unknown greater than $69,011,524 to (Unknown greater than $14,470,213)**	**Unknown greater than $69,011,524 to (Unknown greater than $25,138,784)**	**Unknown greater than $69,011,524 to (Unknown greater than $21,312,882)**
CONSERVATION COMMISSION FUND			
Revenue reduction - sales tax exemption for data storage facilities and server farms (Section 144.810)	(Unknown)	(Unknown)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	**(Unknown)**	**(Unknown)**	**(Unknown greater than $100,000)**
PARKS, AND SOIL AND WATER FUND			
Revenue reduction - sales tax exemption for data storage facilities and server farms (Section 144.810)	(Unknown)	(Unknown)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUND	**(Unknown)**	**(Unknown)**	**(Unknown greater than $100,000)**

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
SCHOOL DISTRICT TRUST FUND			
Revenue reduction - sales tax exemption for data storage facilities and server farms (Section 144.810)	(Unknown)	(Unknown)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	**(Unknown)**	**(Unknown)**	**(Unknown greater than $100,000)**
MISSOURI HOUSING TRUST FUND			
Transfer Out- to MO Housing Development Commission Fund	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON MISSOURI HOUSING TRUST FUND	**(Unknown)**	**(Unknown)**	**(Unknown)**
MISSOURI HOUSING DEVELOPMENT COMMISSION FUND			
Transfer In- from general revenue	Unknown	Unknown	Unknown
Transfer In- Missouri Housing Trust Fund	Unknown	Unknown	Unknown
Cost - expenses of the MHDC	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON THE MISSOURI HOUSING DEVELOPMENT COMMISSION FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
MO JOBS DEVELOPMENT FUND			
Transfer In- from general revenue for providing financial assistance to companies that create new jobs (620.806)	$0 to Unknown	$0 to Unknown	$0 to Unknown
Revenue - gifts, contributions, grants or bequests received	$0 to Unknown	$0 to Unknown	$0 to Unknown
Transfer Out - to companies for the training programs set up to help create new jobs	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
ESTIMATED NET EFFECT ON MO JOBS DEVELOPMENT FUND	**$0**	**$0**	**$0**
MO JOBS COMMUNITY COLLEGE NEW JOBS TRAINING FUND			
Revenue - new jobs credits (620.809)	$0 to Unknown	$0 to Unknown	$0 to Unknown
Revenue- gifts, contributions, grants or bequests received	$0 to Unknown	$0 to Unknown	$0 to Unknown
Transfer Out- to community colleges for training project costs	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
ESTIMATED NET EFFECT ON MO JOBS COMMUNITY COLLEGE NEW JOBS TRAINING FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - State Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
MO JOBS COMMUNITY COLLEGE JOB RETENTION TRAINING FUND			
Revenue - retained jobs credits (620.809)	$0 to Unknown	$0 to Unknown	$0 to Unknown
Revenue - gifts, contributions, grants or bequests received	$0 to Unknown	$0 to Unknown	$0 to Unknown
Transfer Out- to community colleges for training programs.	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
ESTIMATED NET EFFECT ON MO JOBS COMMUNITY COLLEGE JOB RETENTION TRAINING FUND	**$0**	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2012 (10 Mo.)	FY 2013	FY 2014
LOCAL GOVERNMENTS			
Revenue reduction - sales tax exemption for data storage facilities and server farms (Section 144.810)	(Unknown)	(Unknown)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	**(Unknown)**	**(Unknown)**	**(Unknown greater than $100,000)**

FISCAL IMPACT - Small Business

Small businesses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation will have an impact on state revenue.

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

Budget and Planning
Department of Agriculture
Department of Economic Development
Missouri Development Finance Board
Missouri Housing Development Commission
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Revenue
Department of Social Services
Office of the Secretary of State
Officials at the State Auditor
Office of the State Treasurer
University of Missouri

Mickey Wilson

Mickey Wilson, CPA
Director
October 5, 2011

JH:LR:OD