

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4906-02
Bill No.: SB 743
Subject: Department of Economic Development; Tax Credits
Type: Original
Date: March 11, 2014

Bill Summary: This proposal requires all tax credit programs created on or after August 28, 2014 to comply with the Tax Credit Accountability Act of 2004.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Division of Budget and Planning (BAP)** assume this proposal would not fiscally impact BAP. This proposal requires newly created tax credits to comply with the Tax Credit Accountability Act of 2004. This will have no direct impact on General and Total State Revenue.

Officials at the **Department of Revenue (DOR)** assume the Personal Tax Division would require one Revenue Processing Technician I for every 520 compliance mailings and correspondence. The Corporate Tax Division would require one Revenue Processing Technician I for every 520 compliance mailings and correspondence.

Oversight assumes this proposal requires that all tax credits created in the future comply with the requirements of the Tax Credit Accountability Act of 2004. Since this proposal relies on the future action of the Legislature, Oversight can not determine if any future tax credits would be created. Oversight assumes that the Department of Revenue would not have a fiscal impact from this proposal as written. However, should the Legislature choose to adopt additional tax credits, DOR could request and be given the additional staff at that time.

Officials at the **Department of Agriculture, the Department of Economic Development, the Department of Health and Senior Services, the Department of Insurance, Financial Institutions and Professional Registration, the Department of Natural Resources, the Department of Social Services, the Missouri Development Finance Board and the Missouri Housing Development Commission** each assume there is no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that qualify for tax credits will need to complete the required paperwork.

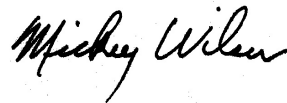
FISCAL DESCRIPTION

The proposed legislation appears to have no direct 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 Agriculture
Department of Economic Development
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Natural Resources
Department of Revenue
Department of Social Services
Missouri Housing Development Commission
Missouri Development Finance Board



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