

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1126-01
Bill No.: SB 195
Subject: Economic Development Department; Tax Credits
Type: Original
Date: February 19, 2015

Bill Summary: This proposal requires all tax credit programs created on or after August 28, 2015 to comply with the Tax Credit Accountability Act of 2004.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume §135.800 adds the requirement that any new tax credit program created after August 28, 2015, must comply with the Tax Credit Accountability Act of 2004 and the provisions of §135.800 to §135.830.

Due to Executive Order 13-02, Personal Tax requires one (1) Revenue Processing Technician I and Corporate Tax requires one (1) Revenue Processing Technician I for compliance mailings and correspondence. DOR estimates a cost for the 2 FTE of approximately \$84,000 per year.

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 Economic Development, the Department of Agriculture, Office of Administration's Division of Budget and Planning, the Department of Health and Senior Services, the Department of Natural Resources, the Department of Insurance, Financial Institutions, and Professional Registration, and the Department of Social Services** each assume no fiscal impact from this proposal to their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

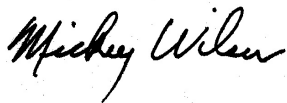
FISCAL DESCRIPTION

The proposed legislation appears to have no 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 Revenue
Department of Agriculture
Office of Administration's Division of Budget and Planning
Department of Economic Development
Department of Social Services
Department of Health and Senior Services
Department of Natural Resources
Department of Insurance, Financial Institutions, and Professional Registration



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February 19, 2015

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