

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4584-01
Bill No.: SB 675
Subject: Tax Credits, Children and Minors
Type: Original
Date: December 21, 2017

Bill Summary: This proposal re-authorizes the Champion for Children tax credit.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0	\$0	(\$1,000,000)
Total Estimated Net Effect on General Revenue	\$0	\$0	(\$1,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§135.341 Champion for Children (formerly Children in Crisis)

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this legislation extends the final date to issue tax credits for contributions to qualified crisis child agencies to December 31, 2025. Because this proposal extends an existing credit, this will not directly impact Total State Revenue.

B&P notes that redeemed tax credits under the Champion for Children Tax Credit have averaged \$1 million over the last three years. This proposal will not directly impact General and Total State Revenues or the calculation of Article X, Section 18(e).

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

Officials at the **Department of Revenue** assume this would require some minor programming changes to change the date of the program. They assume they can absorb with existing resources.

Oversight notes according to the Tax Credit Analysis submitted by the Department of Revenue regarding this program, the Champion for Children tax credit program had the following activity;

	FY 2015	FY 2016	FY 2017	FY 2018 (projected)	FY 2019 (projected)
Amount Redeemed	\$999,990	\$999,987	\$999,873	\$999,999	\$999,999

Amount Outstanding - not declared Amount Authorized but Unissued - not declared

Oversight notes this tax credit has a \$1 million annual cap. This proposal changes the stop date of this tax credit from December 31, 2019 (FY 2020) to December 31, 2025. The credit is given to a taxpayer up to 50% of the donation they made to a qualified agency.

Per **Oversight** fiscal note policy, the fiscal note will reflect the extension of the tax credit starting in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Revenue Reduction</u> - extension of the Champion for Children tax credit sunset date §135.341	<u>\$0</u>	<u>\$0</u>	<u>(\$1,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>(\$1,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 Champion for Children Tax Credit is currently scheduled to expire on December 31, 2019. This bill re-authorizes the credit until December 31, 2025.

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 Social Services
Office of Administration
Division of Budget and Planning

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December 21, 2017

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December 21, 2017