

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4509-01  
Bill No.: SB 1104  
Subject: Taxation and Revenue - Income  
Type: Original  
Date: February 15, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	\$0 to \$2,200,000	\$0 to \$2,200,000
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0 to \$2,200,000</b>	<b>\$0 to \$2,200,000</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Revenue (DOR)** assume this legislation prevents interest on refunds due to tax credit carrybacks. This will have no administrative impact to DOR. However, DOR estimates that this proposal will result in interest savings of up to \$2.2 million per year.

**Department of Economic Development (DED)** officials state this bill should have no impact on DED. The bill prevents carried back tax credits from accruing interest except from the date they were authorized and forward.

**This legislation could increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**GENERAL REVENUE FUND**

Income - General Revenue Fund

Elimination of interest on carrybacks of tax credits	\$0	\$0 to <u>\$2,200,000</u>	\$0 to <u>\$2,200,000</u>
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<b>TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0 to</u></b> <b><u>\$2,200,000</u></b>	<b><u>\$0 to</u></b> <b><u>\$2,200,000</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	\$0	\$0	\$0
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**FISCAL IMPACT - Small Business**

Small businesses with a tax credit would not receive interest on amount of carryback.

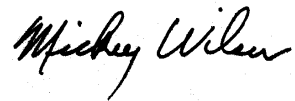
DESCRIPTION

This act prohibits a carried-back tax credit from accruing interest prior to the close of the taxable year in which the credit was authorized.

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 Economic Development



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