

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0848-01
Bill No.: HB 130
Subject: Agriculture and Animals; Business and Commerce; Economic Development;
Taxation and Revenue.
Type: Original
Date: January 30, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other 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 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance** and the **Department of Natural Resources** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Agriculture (AGR)** states this proposal corrects an omission in language from Truly Agreed to and Finally Passed HB 1348 passed last year. AGR assumes this proposal would not fiscally impact their agency.

According to the AGR, the number of credits issued in the past three fiscal years for the Agricultural Product Utilization Contributor Tax Credit (Section 348.430 RSMo) and the New Generation Cooperative Incentive Tax Credit (Section 348.432) have been;

	Section 348.430	Section 348.432	Total
FY 2000	\$1,537,931	\$3,000,000	\$4,537,931
FY 2001	\$1,299,518	\$1,500,000	\$2,799,518
FY 2002	\$1,115,185	\$3,398,000	\$4,513,185

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** states they do not anticipate a large increase in tax credits and will not request additional FTE at this time. However, if this assumption is incorrect, DOR will need one Tax Processing Technician I for every additional 15,000 credit received.

DOR states the Department of Agriculture or the Office of Administration - Budget and Planning should estimate the impact of this legislation. However, DOR notes that the legislation does not increase the annual \$6 million total credit limit allowed by section 348.434.1.

Oversight assumes this proposal does not increase \$6 million cap on the credits available under the program and would not result in a fiscal impact to the state.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal allows producers investing in an eligible new generation processing facility a tax

credit in an amount equal to the lesser of 50% of cash fund investment or \$15,000. The tax credit is to apply to all tax years beginning on or after January 1, 2003.

The proposal contains an emergency clause.

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 Natural Resources
Department of Revenue
Department of Insurance



Mickey Wilson, CPA
Director
January 30, 2003