

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0383-01
Bill No.: SB 63
Subject: Economic Development Department; Tax Credits
Type: Original
Date: January 15, 2013

Bill Summary: This proposal requires all tax credit programs created on or after August 28, 2013, to comply with the Tax Credit Accountability Act of 2004.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **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 Social Services** and the **Office of Administration - Budget and Planning** each assume there is no fiscal impact from this proposal.

Officials at the **Department of Revenue** assume the department would be responsible for mailing penalty letters to those who are required to file under section 135.800 to 135.830. Penalties and interest collected over the last three years totaled \$78,910.58. This would add an additional cost for postage but could result in penalties and interest being collected.

This proposal requires tax credit programs created after August 28, 2013, to become subject to the Tax Credit Accountability Act and its reporting requirements. Since it is unclear if any new tax credits will be created in the future, **Oversight** assumes that the impact would be \$0 (no new credits created) to a minimal impact (a new credit created). Oversight assumes that if a credit were to be created that the Department of Revenue could absorb the mailing costs with existing resources. Additionally, due to the timing of any new credit created and the period of time to authorize and issue a credit it is assumed that the new reporting requirements would take place outside the fiscal note period. Therefore, **Oversight** will not show an impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Businesses that receive a tax credit will be required to file the annual report.

FISCAL DESCRIPTION

This proposal places tax credit programs created by statute on or after August 28, 2013, under the provisions of the Tax Credit Accountability Act of 2004. The Department of Economic Development is required to assign these new tax credit programs to one of the categories of tax credit defined in the proposal.

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
Office of Administration
 Budget and Planning



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Acting Director
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