

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number **05-3311/1**
 Introduction Number **AB-606**

Subject

Tax credit for sales and use tax paid on electricity used in agricultural biotechnology and certain products used on livestock

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes No
 - Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
5. Types of Local Government Units Affected
- Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected
 Affected Ch. 20 Appropriations

GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives
DOR 8/17/2005

LRB Number 05-3311/1	Introduction Number AB-606	Estimate Type Original
Subject Tax credit for sales and use tax paid on electricity used in agricultural biotechnology and certain products used on livestock		

Assumptions Used in Arriving at Fiscal Estimate

The bill would provide an income and franchise tax credit for the amount of sales and use taxes paid on purchases of vitamins, supplements, and hormones used on farm livestock. In addition, the bill would define "agricultural biotechnology" and provide an income and franchise tax credit for the amount of sales and use taxes paid on purchases of electricity consumed in research or product development related to agricultural biotechnology. The credit would first apply to taxable years beginning on January 1, 2006.

Data on sales of vitamins, supplements, and hormones used on farm livestock are not available. Data on sales of vitamins, supplements, and hormones used on farm livestock are aggregated with sales of feed, veterinary services and medicines, or miscellaneous expenditures such that a reliable estimate of the amount of sales and use taxes paid on these items to arrive at the fiscal effect of the credit is not feasible.

Similarly, data enabling a reliable estimate of the electricity used in research and development related to agricultural biotechnology are not available. Thus, a reliable estimate of the amount of sales and use taxes paid and the corresponding credit is not feasible.

Administrative costs of the bill are not yet available given the short time period to complete the estimate.

Long-Range Fiscal Implications