Fiscal Estimate - 2005 Session

☑ Original ☐ Updated	Corrected	Supplemental		
LRB Number 05-3312/1	Introduction Number	er AB-623		
Subject Tax credit for sales and use tax paid on electricity	used in research and developme	nt		
Appropriations Decrease Existing Appropriations Rever Create New Appropriations Local: No Local Government Costs	ase Existing absorb winues Decrease			
Permissive Mandatory Permis	se Revenue Sive Mandatory ase Revenue Units Affect Towns Count Count	S Village Cities ies Others I WTCS		
Fund Sources Affected GPR FED PRO PRS	Affected Ch. 2 SEG SEGS 20.566(3)(a)	20 Appropriations		
Agency/Prepared By	Authorized Signature	Date		
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Fiscal Estimate Narratives DOR 9/6/2005

LRB Number	05-3312/1	Introduction Number	AB-623	Estimate Type	Original	
Subject						
Tax credit for sales and use tax paid on electricity used in research and development						

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, beginning January 1, 2006, taxpayers would be eligible to receive an income and franchise tax credit for the amount of the sales and use tax that they paid in the taxable year for the purchase of electricity used in research and development.

Every industry and most companies engage in research and development to some degree. Therefore, the credit created by this bill would be widely applicable. However, data are not available to estimate the decrease in income tax revenues that would occur under the bill.

The Department will incur one-time costs of \$21,600 for 400 hours of programming to add a line to the individual and corporate income tax forms. All other costs can be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

	Original		Updated			Corrected		☐ S	upplemental
LRB	Number	05-3312/1		I	ntrod	uction Nu	ımber	AB-	623
Subje	ct		-						
	Tax credit for sales and use tax paid on electricity used in research and development								
	time Costs lized fiscal	or Revenue Imeffect):	pacts for S	tate and	or Lo	cal Governn	nent (do	not inc	clude in
\$21,60	00 for 400 ho	urs of programr	ming to add a	a line to t	he indi	vidual and c	orporate	income	tax forms.
II. Ann	ualized Cos	its:				Annualize	d Fiscal	Impact	on funds from:
						Increased Co	osts		Decreased Costs
A. Sta	te Costs by	Category				i de la companya de l			
Stat	e Operations	- Salaries and	Fringes				\$		
(FTE	E Position Ch	nanges)							
Stat	e Operations	- Other Costs							
Loca	al Assistance)							
Aids	to Individua	ls or Organizati	ons						
<u> </u>	OTAL State	Costs by Cate	gory				\$		\$
B. Sta	B. State Costs by Source of Funds								
GPF	}.			. 1					
FED									
PRO)/PRS				Awar Tra				
SEG	S/SEG-S								
		s - Complete th , decrease in li			sal wi	Il increase o	or decrea	ase sta	te revenues
						Increased I	Rev		Decreased Rev
GPF	R Taxes			34.7			\$		\$
GPF	R Earned								
FED)			× .					
PRC)/PRS								
SEG	SSEG-S								
T	OTAL State	Revenues					\$		\$
			NET ANNU	ALIZED I	FISCA	L IMPACT			
				2		St	tate		Local
NET CHANGE IN COSTS						\$	\$		
NET CHANGE IN REVENUE				\$SeeT	ext	kt \$			
Agency/Prepared By Aut			Authori	thorized Signature				Date	
DOR/ H	Kirstin Nelsor	า (608) 261-898	34	Rebecca Boldt (608) 266-6785 9/6/2005				9/6/2005	