Fiscal Estimate - 2005 Session

X	Original		Updated	- · · · · · · · · · · · · · · · · · · ·	Corrected		Supplemental	İ
LRB	Number	05-1549/1		Introdu	uction Numb	er SI	B-55	
Subje	ct					-		
Increa	se number of	enterprise dev	elopment zor	nes				
Fiscal	Effect							
	No State Fisc ndeterminate Increase I Appropria Decrease Appropria Create Ne	e Existing tions Existing	Reve	ease Existing enues rease Existing enues	to abs		- May be possi agency's budo \textsquare	get
	Indeterminate I. Increase Permiss 2. Decrease	e Costs sive∭Mandato	3. ☐ Incre ory ☐ Perm 4. ☐ Decr	ease Revenue nissive Mand rease Revenue nissive Mand	atory Too		ts Affected Village () Others WTCS Districts	Cities
Fund S	Sources Affe PR FED		PRS	SEG SEG	Affected Ch	. 20 Appr	opriations	
Agenc	y/Prepared	Ву		Authorized Si	gnature		Date	
DOR/ I	Pamela Walg	ren (608) 266-	7817	Blair Kruger (608) 266-1310 3/2				005

Fiscal Estimate Narratives DOR 3/22/2005

LRB Number	05-1549/1	Introduction Number	SB-55	Estimate Type	Original					
Subject										
Increase number of enterprise development zones										

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an enterprise development zone (EDZ) program authorizes the Department of Commerce to designate certain areas of the state as EDZs. An EDZ is an area in which a single business is certified by Commerce to receive up to \$3 million in tax credits. Designation is based on criteria relating to high unemployment and poverty, declining property values and declining population. Commerce may designate 79 zones; at least 10 zones must be for environmental remediation. A zone may be in effect for no more than 84 months. The businesses claim the development zone credit based on the number of full-time jobs created or retained in the state and on amounts spent for environmental remediation.

The bill would increase the number of enterprise development zones that may be designated by the Department of Commerce from 79 to 84.

The bill would increase the amount of credits that may be claimed under the EDZ program by \$15 million over the life of the program. The estimated annual fiscal effect depends upon a number of factors that are unknown: when Commerce would certify businesses for credit, how much credit they would be certified for, when the businesses would fulfill obligations to claim the credit on their tax returns and what tax liability they would have to offset with the credit. Because this information is not available, an estimate of the annual fiscal effect cannot be generated.

Long-Range Fiscal Implications