



## Fiscal Estimate Narratives

DOR 2/18/2008

LRB Number	07-3967/1	Introduction Number	SB-459	Estimate Type	Original
<b>Description</b> Allowing dairy cooperatives to claim the dairy manufacturing facility investment credit and making an appropriation.					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a person may claim a credit against the person's income or franchise tax liability that is equal to 10% of the amount that the person paid in the taxable year for dairy manufacturing modernization or expansion related to the claimant's dairy manufacturing operation. If the amount of the credit exceeds the amount of the person's tax liability, the person receives a refund. Under current law, dairy cooperatives are, generally, not subject to state income or franchise taxes and, therefore, are not eligible to claim the credit for dairy manufacturing modernization or expansion.

This bill allows the members of a dairy cooperative to claim the credit for the dairy manufacturing modernization or expansion expenses paid by the cooperative beginning in tax year 2009 through tax year 2016. The dairy cooperative determines the amount of the credit that each member may claim, based on the amount of milk each member delivers to the cooperative. Under the bill, the maximum amount of the credits that may be allocated to all dairy cooperatives in FY 2010 is \$600,000, and the maximum amount of the credits that may be allocated to all dairy cooperatives in FY 2011, and in each fiscal year through FY 2017, is \$700,000. The maximum amount that can be claimed in aggregate for each dairy cooperative's facility for all tax years is \$200,000.

### Fiscal Effect

The fiscal effect of the bill is estimated to be \$600,000 in FY 2010 and \$700,000 in fiscal years 2011 through 2017, the maximum annual allocation amounts in the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Allowing dairy cooperatives to claim the dairy manufacturing facility investment credit and making an appropriation.			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$See Text	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
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		<b>Date</b>	
		2/18/2008	