



## Fiscal Estimate Narratives

DOR 3/21/2011

LRB Number	11-1041/1	Introduction Number	AB-0013	Estimate Type	Original
<b>Description</b> A development opportunity zone for the city of Beloit					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law the Department of Commerce (Commerce) may designate a portion of the state as a development opportunity zone. Taxpayers that conduct business or intend to conduct business within a development opportunity zone may receive certain tax benefits after submitting a qualifying project plan in conjunction with the local governing body of the city in which the development opportunity zone is located.

This bill creates a development opportunity zone in the city of Beloit effective for 60 months, beginning September 1, 2010, and covering an area to be determined by the city's governing board. The total of allowable tax benefits for that development opportunity zone is \$5,000,000, except that, under the bill, Commerce may extend the designation of an opportunity zone for the city of Beloit for an additional 60 months and an additional \$5,000,000 of total tax benefits if Commerce determines that the extension will support economic development in the city.

### Fiscal Estimate

The bill will reduce corporate income and franchise tax revenue by an estimated \$1 million per year for five years beginning in FY 2012. If the life of the zone is extended for an additional five years as allowed under the bill, the bill would result in an additional reduction in corporate income and franchise tax revenue of and estimated \$1 million per year for an additional five years beginning in FY 2017.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>11-1041/1</b>		Introduction Number <b>AB-0013</b>	
<b>Description</b> A development opportunity zone for the city of Beloit			
<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	\$	\$-1,000,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-1,000,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-1,000,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
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		<b>Date</b>	
		3/21/2011	