

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-0080/1	Introduction Number SB-074
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Description
 Creating an income and franchise tax credit for eligible innovation projects and project facilities

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		5.Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.143 (1)(a)	

Agency/Prepared By	Authorized Signature	Date
COMM/ Louie Cornelius (608) 266-8629	Louie Cornelius (608) 266-8629	8/21/2007

Fiscal Estimate Narratives
COMM 8/21/2007

LRB Number 07-0080/1	Introduction Number SB-074	Estimate Type Original
Description Creating an income and franchise tax credit for eligible innovation projects and project facilities		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Eligible Innovation Project Tax Credit program. It does not limit the number of businesses that the department may designate, but it does limit the amount of tax credits that the department may allocate to businesses to \$10,000,000 in a year. The department's responsibilities are as follows:

1. Certify businesses that will conduct eligible innovation projects. A business may claim a maximum of \$500,000 under this credit in a taxable year. The department shall notify the Department of Revenue of all persons that it certifies, and the date on which that certification expires.
2. Maintain a website showing a list of businesses certified under this program.
3. Annually report to the legislature on the total amount of tax credits claimed, the name of each business, the amount of tax credits each business claims, and the amount of the innovation costs on which the tax credit is calculated.

To administer this program, the department will require 2.0 FTE GPR positions. These positions will be an economic development consultant and a grants specialist. The economic development consultant will work with businesses to determine how best to meet their needs and increase economic development. The grants specialist will work with certifying businesses and reporting on activities. Annual costs will be as follows:

Salary -- \$82,000
Fringe -- \$35,200
Supplies -- \$12,000

TOTAL -- \$129,200

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 07-0080/1		Introduction Number SB-074	
Description			
Creating an income and franchise tax credit for eligible innovation projects and project facilities			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$117,200		\$
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs	12,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$129,200		\$
B. State Costs by Source of Funds			
GPR	129,200		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$129,200		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	
COMM/ Louie Cornelius (608) 266-8629		Louie Cornelius (608) 266-8629	
		Date	
		8/21/2007	