

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-0015/2</b>	<b>Introduction Number</b> <b>SB-139</b>
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**Description**  
 Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures

**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"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	<b>5.Types of Local Government Units Affected</b> <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	4. <input type="checkbox"/> Decrease Revenue	
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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 20.143 (1) (a)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
COMM/ Julie Keal (608) 266-6748	Louie Cornelius (608) 266-8629	5/6/2007

**Fiscal Estimate Narratives**  
**COMM 5/7/2007**

LRB Number	<b>07-0015/2</b>	Introduction Number	<b>SB-139</b>	Estimate Type	<b>Original</b>
<b>Description</b> Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill creates the Nanotechnology 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 \$2,500,000 in a fiscal year. The department's responsibilities are as follows:

1. Certify nanotechnology businesses to claim tax benefits and allocate to each business the amount of tax credits it may claim. The department shall notify the Department of Revenue of all persons that it certifies and of the amount of tax credits it allocates to each person.
2. Verify claims for tax credits. To do this, the department must certify as eligible expenditures of each certified business. Eligible expenditures include: sales taxes on the purchase of machines and processing equipment that are used directly in the nanotechnology business for qualified research and manufacturing located in this state: payments to an institute of higher education or consortium for research, equipment, the use of research facilities, or other expenditures determined by Commerce to be directly related to nanotechnology: sales and use taxes on advanced computing devices, data communications, information technology, and laboratory materials for use in nanotechnology research and development.

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, increase economic development with their projects, and also assist with the development and implementation of the rules. The grants specialist will work with certifying businesses and verifying tax credit claims. 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

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 07-0015/2		<b>Introduction Number</b> SB-139	
<b>Description</b> Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures			
<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	\$117,200		\$
(FTE Position Changes)			
State Operations - Other Costs	12,000		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$129,200</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	129,200		
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>			
	State		Local
NET CHANGE IN COSTS	\$129,200		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	5/6/2007