Fiscal Estimate - 2007 Session

☑ Original	Updated	Corrected		Supplemental
LRB Number 07-3	967/1	Introduction N	umber S	B-459
Description Allowing dairy cooperatives appropriation.	to claim the dairy ma	nufacturing facility invest	ment credit an	d making an
Fiscal Effect				
State: No State Fiscal Effect Indeterminate Increase Existing Appropriations Decrease Existing Appropriations Create New Appro	Increa Rever Decre Rever	ase Existing to the second sec		- May be possible n agency's budget \tilde \text{No}
Local: No Local Government Indeterminate 1. Increase Costs Permissive N 2. Decrease Costs	3. ☐ Increa Mandatory ☐ Permi s 4. ☐ Decre		/pes of Local overnment Uni Towns Counties School Districts	its Affected Village Cities Others WTCS Districts
Fund Sources Affected GPR FED P	RO PRS S	Affecte SEG SEGS	d Ch. 20 Appı	ropriations
Agency/Prepared By		Authorized Signature		Date
DOR/ Michael Oakleaf (608	Rebecca Boldt (608) 266	-6785	2/18/2008	

Fiscal Estimate Narratives DOR 2/18/2008

LRB Number 07-3967/1	Introduction Number SI	B-459	Estimate Type	Original			
Description 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

\boxtimes	Original		Updated			Corrected		Supplemental
LRB	Number (07-3967	/1		Intro	duction N	umber	SB-459
approp	ng dairy cooper oriation.							edit and making an
I. One- annua	time Costs or lized fiscal eff	Revenue ect):	Impacts for	State	and/or	Local Gove	rnment (do	o not include in
II. Ann	II. Annualized Costs:					Annualized	Fiscal Imp	act on funds from:
A Problem		yayin eli 4 - Ja	2			Increased Co	osts	Decreased Costs
A. Sta	te Costs by Ca	ategory						
State	e Operations - :	Salaries an	d Fringes				\$	\$
(FTE	E Position Char	nges)						
State	e Operations - (Other Cost	S			3		
Loca	al Assistance		-					
Aids	to Individuals	or Organiza	ations					
T	OTAL State Co	osts by Ca	tegory				\$	\$
B. Sta	te Costs by So	ource of Fu	ınds					
GPF	}							
FED								
PRC)/PRS					7 - 17 - 10 - 10 - 10 - 10 - 10 - 10 - 1		
SEG	S/SEG-S							1721 38 18 8 513 2898 31
	te Revenues - ues (e.g., tax ir						se or decre	ase state
				177		Increased F	Rev	Decreased Rev
GPF	R Taxes						\$	\$
GPF	R Earned		in the second of the second					
FED). 							
PRC)/PRS							
SEG	S/SEG-S							
T	OTAL State Re	evenues					\$	\$
			NET ANNU	ALIZEI	D FISC	AL IMPACT		
						St	ate	<u>Local</u>
NET CHANGE IN COSTS				\$See T	ext	\$		
NET C	HANGE IN RE	VENUE					\$	\$
Agenc	y/Prepared By	······································		Auth	orized	Signature		Date
							2/18/2008	