## Fiscal Estimate - 2009 Session

Original Dpdated	Corr	rected	Supplemental				
LRB Number <b>09-1526/2</b>	Introduct	ion Number	AB-0037				
<b>Description</b> Allowing dairy cooperatives to claim the dairy manufacturing facility investment credit and making an appropriation							
Fiscal Effect							
Appropriations F	ncrease Existing Revenues Decrease Existing Revenues		ts - May be possible nin agency's budget \B\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\				
Local:  No Local Government Costs  Indeterminate  1. Increase Costs Permissive Mandatory  2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts  5. Types of Local Government Units Affected Towns Counties Counties Others School WTCS Districts							
Fund Sources Affected Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS							
Agency/Prepared By	Authorized Signa	ature	Date				
DOR/ Michael Oakleaf (608) 261-5173	Rebecca Boldt (60	Rebecca Boldt (608) 266-6785 3/2/2009					

# Fiscal Estimate Narratives DOR 3/2/2009

LRB Number	09-1526/2	Introduction Number	AB-0037	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 - 2009 Session

Detailed Estimate of Annual Fiscal Effect

$\boxtimes$	] Original		Updated			Corrected		Supplemental
LRE	3 Number	09-1526	/2		Introduction Number AB-0037			
Allov	c <b>ription</b> ving dairy coop opriation	eratives to cl	aim the dairy	mar	ufacturi	ng facility inves	stment cred	dit and making an
annı	ne-time Costs ualized fiscal e	effect):	Impacts for S	State	e and/or	Local Govern	nment (do	not include in
	nnualized Cos			Т		Annualized F	iscal Impa	act on funds from:
II. A	illualized 003			十		Increased Cos		Decreased Costs
A. S	tate Costs by	Category		L				
	ate Operations		nd Fringes				\$	\$
_	TE Position Ch			T				
St	ate Operations	- Other Cost	S					
Lo	ocal Assistance							
Ai	ds to Individua	ls or Organiza	ations		700,000			
	TOTAL State Costs by Category				\$700,00	00	\$	
B. S	tate Costs by	Source of Fo	unds					
GI	PR					700,00	00	
FE	ED .							
PI	RO/PRS							
SI	EG/SEG-S							
III. S reve	tate Revenue enues (e.g., tax	s - Complete c increase, d	this only wheerease in li	nen cen:	proposa se fee, e	al will increase ets.)	e or decre	
						Increased R	ev	Decreased Rev
G	PR Taxes						\$	\$
G	PR Earned							
FE	ED			_				
	RO/PRS			_				
SI	EG/SEG-S							
TOTAL State Revenues		\$						
			NET ANNUA	LIZ	ED FISC		. r	
<u> </u>					State		Local \$	
NET CHANGE IN COSTS				\$700,0				
NET	CHANGE IN F	HEVENUE					\$	\$
Age	ncy/Prepared	Ву		Au	horized	Signature		Date
-	R/ Michael Oak	-	1-5173	Rel				3/2/2009