



**Fiscal Estimate Narratives**  
**COMM 3/11/2010**

LRB Number <b>09-4125/1</b>	Introduction Number <b>AB-0749</b>	Estimate Type <b>Original</b>
<b>Description</b> An income and franchise tax credit for equipment used to harvest or process woody biomass.		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill creates the Woody Biomass Harvesting and Processing 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 \$900,000 in any fiscal year. The department's responsibilities are as follows:

1. Certify taxpayers 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 expenditures for equipment that is used exclusively to harvest or process woody biomass that is used as fuel or as a component of fuel.

The department will require one position to administer and write rules for this program. The costs of this position will be as follows.

Salary \$44,900  
Fringe \$20,500  
Supplies \$ 8,000

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 09-4125/1		<b>Introduction Number</b> AB-0749	
<b>Description</b> An income and franchise tax credit for equipment used to harvest or process woody biomass.			
<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	\$65,400	\$
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	8,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$73,400</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	73,400	
	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	\$73,400	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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