



## Fiscal Estimate Narratives

DOR 9/12/2011

LRB Number	11-2156/1	Introduction Number	SB-137	Estimate Type	Original
<b>Description</b> Making companies that hire persons who are not legally in the United States ineligible for certain tax exemptions, governmental contracts, grants, and loans, granting rule-making authority, and providing penalties.					

### Assumptions Used in Arriving at Fiscal Estimate

Under the bill, any company that hires an illegal alien is, for a period of seven years, ineligible to receive any property tax exemption under Chapter 70 or any income or franchise tax credit under Chapter 71.

Companies that hire an illegal alien would also be barred for a period of seven years from contracting with state agencies or local governments for supplies, services, construction, or repairs, and would be barred from receiving any grants or loans from local governmental units for a period of seven years. Additionally, a company that hires an illegal alien would be subject to a fine of \$10,000 for each illegal alien the company hires.

### Fiscal Estimate

While denying income and franchise tax credits would in general increase revenue, data is not available to estimate the fiscal effect of this proposal. Any denial of a property tax exemption would result in a property tax shift from other taxpayers to the affected entities. The Department is unable to determine which businesses would hire illegal aliens. As a result, the Department cannot determine the fiscal effect of denying tax credits or property tax exemptions to those businesses for seven years.

It is assumed that the provisions that would prevent businesses that hire illegal aliens from contracting with the state and local governments or from receiving grants or loans would have no fiscal effect, as the contracts, grants, and loans would instead be provided to other businesses that had not hired illegal aliens.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Making companies that hire persons who are not legally in the United States ineligible for certain tax exemptions, governmental contracts, grants, and loans, granting rule-making authority, and providing penalties.			
<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	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	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>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
<b>Agency/Prepared By</b>			
DOR/ Michael Oakleaf (608) 261-5173		<b>Authorized Signature</b>	
		Rebecca Boldt (608) 266-6785	
		<b>Date</b>	
		9/12/2011	