



## Fiscal Estimate Narratives

COMM 6/20/2011

LRB Number	11-2138/1	Introduction Number	AB-0186	Estimate Type	Original
<b>Description</b> An income and franchise tax credit for investments in a community development financial institution, increasing the credit amounts for the dairy manufacturing facility, meat processing facility, and food processing facility investment credits, and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

AB 186 allows the Department of Commerce to certify a person who makes a qualified investment in a registered community development financial institution (CDFI) to receive a credit against state income and franchise taxes and against license fees paid by insurers. Commerce may certify up to \$500,000 in tax credits annually.

The bill raises the maximum amount of dairy manufacturing facility investment credits that may be claimed by all taxpayers, other than dairy cooperatives, in a fiscal year from \$700,000 to \$1 million, and raises the maximum amount of dairy manufacturing facility investment credits that may be claimed by dairy cooperatives in a fiscal year from \$700,000 to \$1 million.

The bill raises the maximum amount of meat processing facility investment credits that may be claimed by all taxpayers in a fiscal year from \$700,000 to \$1.2 million.

The bill also maintains the maximum amount of food processing plant and food warehouse investment credits that may be claimed by all taxpayers in a fiscal year at \$1.2 million per year, instead of decreasing to \$700,000 in FY 12.

The Department will be able to administer these changes within current budgetary authority.

### Long-Range Fiscal Implications