

Fiscal Estimate Narratives

DOR 2/18/2011

LRB Number	11-0625/1	Introduction Number	AB-0019	Estimate Type	Original
Description The dairy and livestock farm investment credits					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a taxpayer may claim an income and franchise tax credit for amounts paid for dairy or livestock farm modernization and expansion for taxable years beginning after December 31, 2003 and before January 1, 2012. This bill extends the dairy farm modernization portion of the credit to taxable years beginning before January 1, 2015.

Fiscal Estimate

Based on a review of individual and corporate tax returns that claimed the credit, the bill would result in a reduction in revenue of an estimated \$2.7 million in FY 2013 and \$3.9 million in FY 2014. Because of the large credit carryforwards relative to credit amounts claimed, it is estimated that the bulk of the fiscal effect from the bill be experienced in fiscal years 2017 through 2024.

Administrative costs can be absorbed within existing resources of the Department.

Long-Range Fiscal Implications

The bill would result in estimated revenue reductions of the following amounts:

FY 2015: \$4.8 million
FY 2016: \$6.2 million
FY 2017: \$10.4 million
FY 2018: \$12.8 million
FY 2019: \$10.8 million
FY 2020: \$6.6 million
FY 2021: \$5.1 million
FY 2022: \$4.2 million
FY 2023: \$3.0 million
FY 2024: \$1.8 million

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description The dairy and livestock farm investment credits			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$See Text		\$
Agency/Prepared By		Authorized Signature	
DOR/ Michael Oakleaf (608) 261-5173		Rebecca Boldt (608) 266-6785	
		Date	
		2/18/2011	