

Fiscal Estimate Narratives

DOR 3/29/2011

LRB Number	11-1027/1	Introduction Number	AB-0061	Estimate Type	Original
Description Creating an income and franchise tax credit for constructing and operating a data center that is designed for maximum energy efficiency and minimum environmental impact and providing an exemption from rule-making procedures					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates an income and franchise tax credit for taxable years beginning after June 30, 2011, and before July 1, 2013, in an amount equal to the amount a person paid in the taxable year for items that are either energy efficient or have a minimal environmental impact and that are used to construct or operate a "green data center." Under the bill, a green data center is a repository for the storage, management, and dissemination of data, if the mechanical, lighting, electrical, and computer systems of the real property in which the repository is located are designed for maximum energy efficiency and minimum environmental impact. The Department of Commerce would certify businesses as eligible for the credits.

The maximum aggregate amount of credit that may be claimed is \$2 million.

Fiscal Estimate

Because most taxpayers have a calendar year tax year, for most taxpayers the credit would only be available for tax years 2012 and 2013. Assuming that the Department of Commerce certifies \$1 million in credit for tax year 2012 and \$1 million for tax year 2013, the bill would result in a reduction in revenue of an estimated \$250,000 in FY 2012, \$1 million in FY 2013, and \$750,000 in FY 2014. The fiscal effect would be higher (lower) in a fiscal year to the extent that Commerce certifies more (less) than \$1 million in a tax year. However, the total fiscal effect for all years is limited to \$2 million under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating an income and franchise tax credit for constructing and operating a data center that is designed for maximum energy efficiency and minimum environmental impact and providing an exemption from rule-making procedures			
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, etc.)			
	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	\$		\$
Agency/Prepared By		Authorized Signature	Date
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