

Fiscal Estimate Narratives

DOR 9/6/2013

LRB Number	13-2557/1	Introduction Number	AB-0303	Estimate Type	Original
Description Creating a nonrefundable individual income tax credit for interest paid on certain student loans					

Assumptions Used in Arriving at Fiscal Estimate

This bill provides a nonrefundable tax credit equal to the amount paid for educational interest expenses during the year. "Educational interest expenses" is defined to mean any amount of interest paid on a loan, the proceeds of which are used to pay for tuition, fees, books, room and board, and educational supplies that are directly related to the claimant's attendance at an eligible educational institution. "Eligible educational institution" is defined to mean a regionally accredited, nonprofit, post-secondary educational institution.

The credit may not be claimed by nonresidents and part-year residents. Unused credit amounts may not be carried forward to future years.

The bill limits the maximum amount of credits that may be claimed in any fiscal year to \$15 million. The Department of Revenue (DOR) is required to create a procedure to ensure the limit is not exceeded.

The bill is expected to reduce revenue by \$15 million annually beginning in fiscal year 2015.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating a nonrefundable individual income tax credit for interest paid on certain student loans			
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	\$		\$-15,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$-15,000,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-15,000,000		\$
Agency/Prepared By		Authorized Signature	Date
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