

Fiscal Estimate Narratives

DOR 2/9/2016

LRB Number	15-4533/1	Introduction Number	SB-706	Estimate Type	Original
Description Creating a program for reimbursing the higher education debt of small farm operators, creating an individual income tax deduction for certain amounts received from such a program, granting rule-making authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a program that reimburses small farm operators for higher education debt. The bill requires the Higher Educational Aids Board (HEAB) to enter into agreements with individuals whom the council finds satisfy the eligibility requirements of the bill. HEAB will make five annual payments of equal amounts to the individual farm operators for reimbursement of their higher education debt. The total amount of the annual payments is \$30,000 or the total amount of the individual's outstanding education higher education debt, whichever is less.

The bill appropriates the following maximum amounts for the program: in FY17, \$60,000; in FY18, \$120,000; in FY19, \$180,000; in FY20, \$240,000; and in FY21 and thereafter, \$300,000 annually.

This bill also provides an income tax deduction for any amount received by an individual under the program to the extent such amount is included in federal adjusted gross income. Given the overall program limitations and the fact that a portion of the deduction for the reimbursement is likely to be offset by reduced student loan interest deductions, the fiscal effect of the tax deduction is expected to result in a minimal annual revenue loss.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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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	Date
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