

Fiscal Estimate Narratives

DOR 2/18/2021

LRB Number	21-1895/1	Introduction Number	SB-097	Estimate Type	Original
Description excluding from income grants received from the federal coronavirus relief fund					

Assumptions Used in Arriving at Fiscal Estimate

The bill provides and income tax exclusion for all income received in the form of a grant issued by the state with moneys received from the federal coronavirus relief fund. In addition, the bill provides that amounts otherwise deductible for state income tax purposes that are paid directly or indirectly with the grant money are also deductible.

The department expects the exclusion to reduce revenue by \$21.4 million in fiscal year 2021, \$3.0 million in fiscal year 2022, and \$1.5 million in fiscal year 2023. Because the filing season is already underway for tax year 2020 returns, the department expects to incur approximately \$25,000 of one-time administrative costs, primarily for letters, envelopes, and postage to recipients of grants. It is also possible that some grant recipients who are eligible for the exclusion under this bill will not choose to amend already-filed tax returns to claim the benefit of the exclusion. To the extent that claimants do not file amended returns, the fiscal effect of the bill will be reduced.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-1895/1	Introduction Number SB-097	
Description excluding from income grants received from the federal coronavirus relief fund		
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	\$See Text	\$
Agency/Prepared By		
Authorized Signature		Date
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