



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #319

Reestimate Expenditure Levels for Expired Tax Credits (General Fund Taxes -- Income and Franchise Taxes)

[LFB 2015-17 Budget Summary: Page 184, #16]

CURRENT LAW

During the previous legislative session, the Legislature sunset a number of business tax credits, including the following refundable credits: (a) woody biomass harvesting and processing investment; (b) meat processing facility investment; and (c) food processing facility and food warehouse investment. The woody biomass harvesting and processing investment credit sunset following tax year 2014 and was equal to 10% of the amount paid for equipment that is used primarily to harvest or process woody biomass used for fuel or as a component of fuel. The meat processing facility investment credit sunset following tax year 2013 and was equal to 10% of the amount paid for meat processing modernization or expansion related to a meat processing operation. The food processing facility and food warehouse investment credit sunset following tax year 2013 and was equal to 10% of the amount paid for food processing or food warehousing modernization or expansion.

The three credits were paid through separate sum sufficient GPR appropriations. Base estimates for eligible credit claims paid to eligible claimants are: (a) \$300,000 for the woody biomass harvesting and processing investment credit; (b) \$0 for the meat processing facility investment credit; and (c) \$0 for the food processing facility and food warehouse investment credit.

GOVERNOR

Estimate the amount of GPR funding necessary to pay for sum sufficient expenditures associated with these three refundable tax credits at: (a) \$112,500 in 2015-16 and \$0 in 2016-17 for the woody biomass harvesting and processing investment credit; (b) \$0 annually for the meat processing facility investment credit; and (c) \$0 annually for the food processing facility and

food warehouse investment credit.

MODIFICATION

Estimate the amount of GPR funding necessary to pay for sum sufficient expenditures for these three refundable tax credits at: (a) \$150,000 in 2015-16 and \$0 in 2016-17 for the woody biomass harvesting and processing investment credit; (b) \$100,000 in 2015-16 and \$0 in 2016-17 for the meat processing facility investment credit; and (c) \$150,000 in 2015-16 and \$0 in 2016-17 for the food processing facility and food warehouse investment credit.

Explanation: The reestimates would more accurately reflect the estimated remaining expenditures for eligible credit claims associated with these three refundable credits in the 2015-17 biennium.

Change to Bill	
GPR	\$287,500

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