

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1852-01  
Bill No.: SB 554  
Subject: Taxation and Revenue - Income; Agriculture and Animals  
Type: Original  
Date: February 26, 2003

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation extends the net operating losses (NOL) carry-back from farming from two years to three years. DOR assumes this legislation will require form changes and programming modifications. However, these modifications will be made with existing resources.

Officials of the **Department of Agriculture** assume this proposal would not impact their agency. This proposal could have a positive impact on farmers in that they will have more flexibility in carrying back operating losses.

**Oversight** assumes this proposal would potentially decrease revenue as farmers will be allowed an additional year to report carry-back losses. The amount of the NOL carry-backs is unknown. **Oversight** will reflect the revenue loss for this proposal as a negative unknown for each year.

**This proposal could decrease Total State Revenue.**

FISCAL IMPACT - State Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**GENERAL REVENUE FUND**

Loss - General Revenue

Extension of farming NOL carry-backs

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON  
GENERAL REVENUE FUNDS**

**(UNKNOWN)**

**(UNKNOWN)**

**(UNKNOWN)**

FISCAL IMPACT - Local Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Small Business

Only farmers with NOL carry-overs would be expected to be impacted as a result of this proposal.

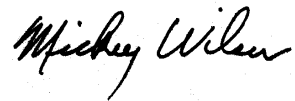
DESCRIPTION

This proposal extends the carry-back of net operating losses from farming from 2 years to 3 years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Agriculture

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA  
DIRECTOR  
FEBRUARY 26, 2003