

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5205-01  
Bill No.: SB 815  
Subject: Economic Development Department; Tax Credits  
Type: Original  
Date: December 31, 2015

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Bill Summary: This proposal requires all tax credit programs created on or after August 28, 2016 to comply with the Tax Credit Accountability Act of 2004.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>Other</u> 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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Department of Revenue (DOR)** assume §135.800 adds the requirement that any new tax credit program created after August 28, 2016, must comply with the Tax Credit Accountability Act of 2004 and the provisions of Sections 135.800 to 135.830.

Due to Executive Order 13-02, Personal Tax requires one Revenue Processing Technician I for every 520 SB1099 compliance mailings and correspondence.

Due to Executive Order 13-02, Corporate Tax requires one Revenue Processing Technician I for every 520 SB1099 compliance mailings and correspondence.

In Summary, DOR assumes the need for 2 FTE Revenue Processing Technicians I (each at \$26,652 annually) with an annual cost of approximately \$90,000.

**Oversight** assumes this proposal requires that all tax credits created in the future comply with the requirements of the Tax Credit Accountability Act of 2004. Since this proposal relies on the future action of the Legislature, Oversight can not determine if any future tax credits would be created. Oversight assumes that the Department of Revenue would not have a fiscal impact from this proposal as written. However, should the Legislature choose to adopt additional tax credits, DOR could request and be given the additional staff at that time.

Officials at the **Department of Natural Resources, the Department of Social Services, the Department of Insurance, Financial Institutions, and Professional Registration, the Department of Health and Senior Services, the Department of Economic Development, the Department of Agriculture and the Office of Administration's Division of Budget and Planning** each assume no fiscal impact from this proposal to their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

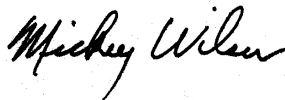
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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  
Department of Economic Development  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Natural Resources  
Department of Health and Senior Services  
Department of Social Services  
Office of Administration's Division of Budget and Planning



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December 31, 2015

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