

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 18** SLS 182ES 53

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2018	6:51 PM	Author: MORRELL
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Tax Credit Registry		

TAX/TAXATION

EG +\$519,000 GF EX See Note

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Creates a tax credit registry for tax credits with carryover provisions. (Item #21) (gov sig)

Proposed law requires the establishment of a tax credit carry-forward registry of outstanding tax credits with carry-forward provisions. Eligible credits not fully utilized on tax returns filed by January 1, 2019 are to be included in the registry. Issuing agencies are to notify the Revenue Dept. of credits granted. Taxpayers with unused credits earned prior to January 1, 2018, with no credit contract or certificate of credit, must claim the credit on a return filed by November 15, 2019 or register the credit; otherwise the unused credit amount is voided unless exception is granted pursuant to administrative rules issued by the Dept.

Effective upon governor's signature.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$519,000	\$319,000	\$326,000	\$332,000	\$339,000	\$1,835,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$519,000	\$319,000	\$326,000	\$332,000	\$339,000	\$1,835,000

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

According to the Dept. of Revenue, there are currently 24 credits required for inclusion in the registry; 12 administered by the Dept. of Revenue, and 12 by other agencies. The Dept. estimates some \$205,000 of information technology costs for design, development, and testing of the system needed to track the affected credits. To the extent new credits are enacted in the future the system must be capable of incorporating them. The Dept. also estimates 4 additional personnel to manage the registry with regard to taxpayers and other affected agencies. Personnel costs are estimated at \$313,000 in the first year, with about 2% cost growth factored in over time. The number of personnel and costs required will ultimately depend on the complexity of the registry system and the number of ongoing interactions involved with taxpayers and administering agencies.

REVENUE EXPLANATION

There is potential for net receipts gain to the state fisc from unused claims that are not registered as required and thereby voided. Any such amount of revenue gain is speculative.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
John D. Carpenter
Legislative Fiscal Officer