

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

| | | |
|--|-----------------------------------|-------------|
| LRB Number 01-2658/3 | Introduction Number AB-905 | |
| Subject | | |
| Creating a planning and accountability mechanism for administering public subsidies to businesses | | |
| Fiscal Effect | | |
| State: | | |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | | |
| Local: | | |
| <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | | |
| Fund Sources Affected | | |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | | |
| Affected Ch. 20 Appropriations | | |
| Agency/Prepared By | Authorized Signature | Date |
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Fiscal Estimate Narratives

DOR 3/29/02

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|---|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number | 01-2658/3 | Introduction Number | AB-905 | Estimate Type | Original |
| Subject | | | | | |
| Creating a planning and accountability mechanism for administering public subsidies to businesses | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The bill imposes reporting requirements for businesses receiving subsidies and agencies granting them under certain programs. A business subsidy does not include tax credits, reductions or deferrals or changes in tax incremental financing laws or other general tax laws.

Under the bill, the Department of Commerce must file an annual report with the Legislative Audit Bureau on the development zone programs and the technology zone program. The report must include:

- *Identification of all development and technology zones in effect and the amount of tax credits that may be claimed in each of the zones;
- *A listing of every person in each zone that has claimed credits of \$25,000 or more;
- *The total credits claimed in the previous year and since the zone was designated;
- *Other information relating to the public purpose of providing the tax credits.

The bill also amends the definition of full-time job under the development zone programs so that compensation must be equal to at least 200% of the federal poverty line for a family of two persons and may include health insurance premiums paid by the employer.

The bill is not expected to have a significant effect on state tax revenues or Department of Revenue administrative activities. The impact on local governments is also expected to be minimal.

Long-Range Fiscal Implications