

Fiscal Estimate Narratives
DOR 9/6/2005

LRB Number	05-3312/1	Introduction Number	AB-623	Estimate Type	Original
Subject					
Tax credit for sales and use tax paid on electricity used in research and development					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, beginning January 1, 2006, taxpayers would be eligible to receive an income and franchise tax credit for the amount of the sales and use tax that they paid in the taxable year for the purchase of electricity used in research and development.

Every industry and most companies engage in research and development to some degree. Therefore, the credit created by this bill would be widely applicable. However, data are not available to estimate the decrease in income tax revenues that would occur under the bill.

The Department will incur one-time costs of \$21,600 for 400 hours of programming to add a line to the individual and corporate income tax forms. All other costs can be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Tax credit for sales and use tax paid on electricity used in research and development			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$21,600 for 400 hours of programming to add a line to the individual and corporate income tax forms.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$SeeText	\$
Agency/Prepared By		Authorized Signature	Date
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