

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-3485/1	Introduction Number AB-0635	
Description Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input 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 checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (1) (a)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
COMM/ Julie Keal (608) 266-6748	Louie Cornelius (608) 266-8629	12/28/2007

Fiscal Estimate Narratives

COMM 12/28/2007

LRB Number 07-3485/1	Introduction Number AB-0635	Estimate Type Original
Description Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Nanotechnology Tax Credit program. It does not limit the number of businesses that the department may designate, but it does limit the amount of tax credits that the department may allocate to businesses to \$2,500,000 in a fiscal year. The department's responsibilities are as follows:

1. Certify nanotechnology businesses to claim tax benefits and allocate to each business the amount of tax credits it may claim. The department shall notify the Department of Revenue of all persons that it certifies and of the amount of tax credits it allocates to each person.
2. Verify claims for tax credits. To do this, the department must certify as eligible expenditures of each certified business. Eligible expenditures include: sales taxes on the purchase of machines and processing equipment that are used directly in the nanotechnology business for qualified research and manufacturing located in this state; payments to an institute of higher education or consortium for research, equipment, the use of research facilities, or other expenditures determined by Commerce to be directly related to nanotechnology; and sales and use taxes on advanced computing devices, data communications, information technology, and laboratory materials for use in nanotechnology research and development.

To administer this program, the department will require 2.0 FTE GPR positions. These positions will be an economic development consultant and a grants specialist. The economic development consultant will work with businesses to determine how best to meet their needs, increase economic development with their projects, and also assist with the development and implementation of the rules. The grants specialist will work with certifying businesses and verifying tax credit claims. Annual costs will be as follows:

Salary -- \$82,000
Fringe -- \$35,200
Supplies -- \$12,000

TOTAL -- \$129,200

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Creating an income and franchise tax credit for expenses related to nanotechnology and providing an exemption from emergency rule-making procedures			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$117,200		\$
(FTE Position Changes)			
State Operations - Other Costs	12,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$129,200		\$
B. State Costs by Source of Funds			
GPR	129,200		
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	\$129,200		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	12/28/2007