



**Fiscal Estimate Narratives**  
**COMM 3/11/2010**

LRB Number	<b>09-4154/2</b>	Introduction Number	<b>SB-539</b>	Estimate Type	<b>Original</b>
<b>Description</b> Tax incentives for job creation					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill creates the Jobs Creation Tax Benefit Program. Under this program, eligible certified businesses may retain the withholding taxes they would have paid for eligible employees in new full-time jobs.

Commerce has the following responsibilities under this program:

1. Certify businesses as eligible for 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. The business's initial certification may last no more than 5 years, and may be extended by the department for up to 5 years if there is a demonstrated need. There is no limit on the amount of tax benefits that may be allocated.
2. Revoke certifications and notify the Department of Revenue of all revocations.
3. Verify information submitted by businesses claiming tax benefits.
4. Promulgate rules for the implementation and operation of the program.

Commerce will not be able to accomplish these responsibilities within existing budget authority. The required rule promulgation, program development, and program administration will require 1.0 FTE position.

This position will develop rules and policies for the program, develop and implement performance measures for the program, publicize the program, work with businesses to access the program, review applications, recommend action on applications, negotiate and enter into contracts with successful applicants, verify tax benefit claims and supporting documentation, and work with successful applicants in reporting results. The costs of this position will be as follows.

Salary \$44,900  
Fringe \$20,500  
Supplies \$ 8,000

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>09-4154/2</b>		Introduction Number <b>SB-539</b>	
<b>Description</b> Tax incentives for job creation			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$65,400		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	8,000		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$73,400</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	73,400		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$73,400		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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