

Fiscal Estimate Narratives

DOR 12/12/2011

LRB Number	11-3056/1	Introduction Number	SB-260	Estimate Type	Original
Description Allowing members of a dairy cooperative to claim the dairy manufacturing facility investment credit in the next taxable year					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a member of a dairy cooperative may claim a refundable dairy manufacturing facility investment credit based on amounts paid in the taxable year by the cooperative to modernize or expand its dairy operation. The dairy cooperative member claims an amount that is in proportion to the amount of milk that the member delivers to the cooperative. The cooperative member claims the credit for the taxable year in which the dairy cooperative pays amounts to modernize or expand its dairy operation.

The bill allows the member of a dairy cooperative to claim the dairy manufacturing facility investment credit in either the taxable year in which the dairy cooperative makes the eligible expenditures or in the next taxable year.

Fiscal Estimate

The amount of credit claimed in a year may be reduced, with a corresponding increase in the following year, to the extent that dairy cooperative members claim credits in the year following the taxable year in which the credit is earned. The net fiscal effect in any fiscal year is expected to be minimal. The bill will not change the total fiscal effect of the credit over the life of the credit (the credit is available through tax year 2016).

Long-Range Fiscal Implications