

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0708-01
Bill No.: HB 527
Subject: Economic Development Department; Revenue Department; Taxation and Revenue.
Type: Original
Date: March 29, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources** assume the proposal would not fiscally impact their agency.

Officials from the **Department of Revenue (DOR)** assume the adding of the ability to transfer or assign the credit normally would create the opportunity for more filers to claim the credit. However, DOR does not anticipate this to be a large quantity. However, if this assumption is incorrect, the Personal Tax Division would need 1 Tax Processing Tech for every additional 4,000 claims.

Officials from the **Department of Economic Development (DED)** assume the fiscal impact on the state would be unknown, but making the tax demolition tax credits sellable/transferrable would increase the use of the credits because there is no cap on the amount of credits. DED assumes that all tax credits issued would be redeemed (100%) and that the credits may be offset by some positive but unknown fiscal benefits to Missouri.

In summary, DED assumes no need for staffing or funding immediately. DED assumes there would be a negative impact on GR from use of the credits that could be offset by some positive but indeterminable economic benefits.

ASSUMPTION (continued)

Oversight assumes that since there are currently no demolition tax credits issued and outstanding, that the proposal would not have a fiscal impact to the state.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

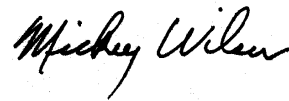
Currently, a tax credit for the remediation of abandoned property can be sold to another person. This bill allows tax credits for the demolition of abandoned property to also be sold.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue
Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
March 29, 2005