

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4858-01
Bill No.: HB 1152
Subject: Children and Minors; Tax Credits; Taxation and Revenue -Income
Type: Original
Date: February 9, 2012

Bill Summary: This proposal extends the sunset on the Children in Crisis tax credit program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	\$0 to (\$4,000,000)	\$0 to (\$4,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 to (\$4,000,000)	\$0 to (\$4,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning** assume there is no fiscal impact from this proposal on Budget and Planning. However, this proposal may reduce General and Total State Revenue.

Officials at the **Department of Revenue** and the **Department of Social Services** assume that there is no fiscal impact from this proposal.

Oversight assumes this tax credit was to sunset on August 28, 2012 (FY 2013). This proposal would extend the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued in FY 14. This tax credit shares a statutory cap of \$4 million with the Adoption Tax Credit. The Children in Crisis Tax Credit is calculated after the Adoption credits are applied. In the last five years an average of \$2,675,221 has been issued for the Children in Crisis credit. **Oversight** will range the fiscal impact of the program from \$0 to the annual statutory limit of \$4 million.

Oversight assumes this proposal would prohibit the issuance of any further tax credits under this program after August 28, 2018. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected would be outside the fiscal note period. Taxes would start being collected in FY 2019.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Revenue Reduction</u> - Children in Crisis Tax Credit extension of sunset	<u>\$0</u>	<u>\$0 to (\$4,000,000)</u>	<u>\$0 to (\$4,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 to (\$4,000,000)</u>	<u>\$0 to (\$4,000,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

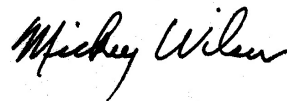
FISCAL DESCRIPTION

Currently, a taxpayer is allowed an income tax credit for up to 50% of a contribution made to a child advocacy center, a crisis care center, or an entity which receives funding from the Court Appointed Special Advocate Fund. This bill extends the provisions regarding the tax credit from August 28, 2012, to August 28, 2018.

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

SOURCES OF INFORMATION

Budget and Planning
Department of Revenue
Department of Social Services



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Director
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