

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1955-01  
Bill No.: HB 748  
Subject: Agriculture and Animals; Agriculture Dept.; Revenue Dept.; Taxation and  
Revenue - Income  
Type: Original  
Date: February 26, 2007

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Bill Summary:           Raises the cap for the family farm livestock loan tax credit.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	(\$850,000)	(\$850,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>(\$850,000)</b>	<b>(\$850,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue** assume no fiscal impact to their agency.

Officials from the **Department of Agriculture** assume this proposal will allow Missouri's small family farm a more economical way to get started or expand their livestock operations and become more efficient operations.

The Family Farms Breeding Livestock Loan Program was passed last legislative session with the current tax credit annual limit of \$150,000. Loan applications were approved for the \$150,000 limit within 3 months after becoming effective. Therefore, the assumption is that the expansion of \$850,000 to the \$1,000,000 would be utilized each year as well.

### **This Proposal Reduces Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Agriculture</u>			
Tax Credits	<u>\$0</u>	<u>(\$850,000)</u>	<u>(\$850,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<u><b>\$0</b></u>	<u><b>(\$850,000)</b></u>	<u><b>(\$850,000)</b></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

### FISCAL IMPACT - Small Business

Yes, to the extent that small family farms will not have to pay the first years interest thus they will be more profitable and be able to expand to a more efficient level of production.

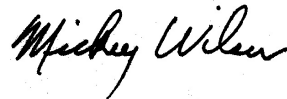
### FISCAL DESCRIPTION

The proposed legislation raises the cap for the family farm livestock loan tax credit.

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

Department of Agriculture  
Department of Revenue



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