

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5052-01
Bill No.: HB 2252
Subject: Tax Credits; Children and Minors; Business and Commerce
Type: Original
Date: March 30, 2010

Bill Summary: This proposal reauthorizes the tax credit for contributions to pregnancy resource centers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0	\$0	\$0 to (\$2,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0 to (\$2,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning** states this proposal extends the sunset on the Pregnancy Resource Center tax credit from 2012 until 2022. In FY 2009, \$951,744 was redeemed in this program. Therefore, this program may reduce general and total state revenues by this amount in years following FY 2012.

Officials from the **Department of Social Services, Department of Revenue** and the **Department of Insurance, Financial Institutions and Professional Registration** each assume the proposal would not have a fiscal impact to their respective agencies.

According to the Tax Credit Analysis submitted by the Department of Social Services regarding this program, the Pregnancy Resource Center tax credit program has had and projects the following activity;

	FY 2007	FY 2008	FY 2009	FY 2010 (projected)	FY 2011 (projected)
Certificates Issued (#)	1,186	2,092	2,577	2,500	2,500
Projects (#)	1,186	2,092	2,577	2,500	2,500
Amount Authorized	\$733,951	\$1,167,510	\$1,185,718	\$1,250,000	\$1,250,000
Amount Issued	\$733,951	\$1,167,510	\$1,185,718	\$1,250,000	\$1,250,000
Amount Redeemed	\$0	\$563,689	\$951,744	\$950,000	\$950,000

Currently, the program is set to expire on August 28, 2012. This bill extends the sunset out to August 28, 2022. Obviously, this will result in additional tax credits redeemed beyond the current expiration date. **Oversight** does not have data regarding the timing within a year of when donations are made and tax credits are taken. Extending the window for making donations and earning tax credits in calendar year 2012 beyond August 28, could increase the amount of tax credits issued in 2012 and redeemed in FY 2013. Therefore, Oversight will reflect a potential increase in tax credits redeemed in FY 2013 from \$0 (all tax credits for this program would have been earned and issued prior to August 28th anyway), to a potential increase in tax credits up to the annual limit of \$2 million.

This proposal could reduce Total State Revenues starting in FY 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Loss - Department of Social Services</u>			
Extension of Pregnancy Resource	<u>\$0</u>	<u>\$0</u>	\$0 to
Center tax credit			<u>(\$2,000,000)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (\$2,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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.

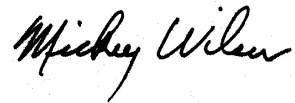
FISCAL DESCRIPTION

This bill reauthorizes the provisions regarding the tax credit for contributions to pregnancy resource centers and extends the expiration date until August 28, 2022.

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 Social Services
Office of Administration - Budget and Planning
Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 30, 2010