

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1242-01  
Bill No.: HB 541  
Subject: Tax Credits; Charities; Revenue Department  
Type: Original  
Date: March 7, 2011

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Bill Summary: This proposal extends the donated food tax credit to August 28, 2015.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Up to \$2,000,000)	(Up to \$2,000,000)	(Up to \$2,000,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$2,000,000)</b>	<b>(Up to \$2,000,000)</b>	<b>(Up to \$2,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<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 2012	FY 2013	FY 2014
<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 2012	FY 2013	FY 2014
<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 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Budget and Planning** assume no fiscal impact to BAP. This proposal repeals the 2011 sunset on the Food Pantry Tax Credit and extends the program to 2015. Just under \$.8 million was redeemed in FY 2010. Therefore this proposal will reduce general and total state revenues by \$.8 million to \$2 million annually.

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

According to the Tax Credit Analysis submitted by the Department of Revenue regarding this program, the Food Pantry tax credit program has had and projects the following activity;

	FY 2008	FY 2009	FY 2010	FY 2011 (projected)	FY 2012 (projected)
Amount Redeemed	\$243,711	\$459,810	\$793,734	\$2,000,000	\$2,000,000

**Oversight** assumes the program has a two million dollar cap. Oversight assumes the extension of the sunset date from August 28, 2011 to August 28, 2015, would lower the net revenues of the state by the amount of the cap. Oversight is showing the loss to the General Revenue Fund as Up to \$2,000,000.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Loss</u> - to general revenue of the food pantry tax credit	<u>(Up to \$2,000,000)</u>	<u>(Up to \$2,000,000)</u>	<u>(Up to \$2,000,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Up to \$2,000,000)</u></b>	<b><u>(Up to \$2,000,000)</u></b>	<b><u>(Up to \$2,000,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

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

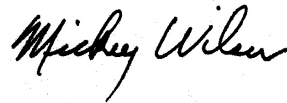
FISCAL DESCRIPTION

This bill re-authorizes the provisions regarding the income tax credit for donations to a food pantry and extends the expiration date until August 28, 2015.

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

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

Mickey Wilson, CPA  
Director  
March 7, 2011