

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4280-01  
Bill No.: HB 1154  
Subject: Charities; Taxation and Revenue -Income  
Type: Original  
Date: January 23, 2012

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Bill Summary: This proposal reduces the annual cumulative amount of tax credits that can be authorized for donations to a food pantry from \$2 million to \$1 million and extends the expiration date to December 31, 2020.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to (\$2,000,000)	\$0 to (\$1,000,000)	\$0 to (\$1,000,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to (\$2,000,000)</b>	<b>\$0 to (\$1,000,000)</b>	<b>\$0 to (\$1,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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).

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

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Budget and Planning** assume this proposal will likely reduce General and Total State Revenues by the annual \$2 million cap in FY 2013 and \$1 million a year thereafter.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Revenue** assume that there is no fiscal impact from this proposal.

**Oversight** assumes this tax credit was to sunset on August 28, 2011. This proposal extends the tax credit and therefore **Oversight** will show the loss to state revenue of the tax credits issued in FY 13, FY 14 and FY 15. **Oversight** for the fiscal note is showing the amount of loss of revenue to the State as being zero to the annual cap.

**Oversight** assumes the program will have a two million dollar cap in FY 2013 and a one million dollar cap beginning January 1, 2013. Oversight is showing the loss to the General Revenue Fund as \$2,000,000 in FY 2013 and \$1,000,000 in FY 2014 and FY 2015.

**Oversight** assumes this proposal would prohibit the issuance of any further tax credits under this program after December 31, 2020. **Oversight** assumes any income to the state from tax credits not issued and the taxes being collected is outside the fiscal note period. Taxes will start being collected in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Revenue Reduction</u> - extension of the food pantry tax credit	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<u>\$0 to</u> <u>(\$2,000,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>

FISCAL IMPACT - Local Government

FY 2013  
(10 Mo.)

FY 2014

FY 2015

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill limits to \$2 million the annual cumulative amount of tax credits that can be authorized for donations to a food pantry for tax years ending on or before December 31, 2012, and reduces from \$2 million to \$1 million the annual cumulative amount of tax credits that can be authorized for donations for all tax years beginning on or after January 1, 2013. The bill extends the expiration date for the tax credit from August 28, 2011, to December 31, 2020.

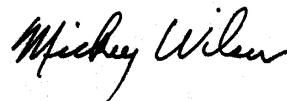
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning

Department of Insurance, Financial Institutions and Professional Registration

Department of Revenue



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