

FISCAL NOTE

Requested by Legislative Council
03/17/2005

Amendment to: Engrossed
HB 1314

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 4 of Engrossed HB 1314 with Senate Amendments allows the existing income tax credit for installation of geothermal, solar or wind energy devices to be claimed against the entire tax liability of a corporate consolidated group. Under current law, the tax credit would apply only to the liability of the corporation involved in the project, not the remainder of the consolidated group.

Currently, tax records indicate there are existing project costs totaling approx. \$65 million available to be used in computing tax credits under this section. The tax credits associated with these existing projects is computed at 3%, or \$1.95 million per year. It is unknown how much of the existing tax credits will be used against the liabilities of other members of a consolidated group. Additionally, it is unknown the degree to which new projects will be undertaken increasing the overall amount available tax credits.

The fiscal impact of the carryforward provisions contained in Section 4 are also unknown.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See note to fiscal impact, above.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget.*

Indicate the relationship between the amounts shown for expenditures and appropriations.

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