

# FISCAL NOTE

Requested by Legislative Council  
03/24/2005

Amendment to: Engrossed  
SB 2281

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.*

Engrossed SB 2281 with House Amendments broadens the agricultural investment tax credit to include investments made by corporations and pass-through entities. The bill limits the number of agricultural commodity processing facilities in which taxpayers can invest to the first ten new projects that qualify, and one existing project that was previously certified. The bill does not limit the number of taxpayers who can claim the tax credit.

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.*

Currently, this agricultural processing tax credit is available only to individuals who invest in qualifying projects. The fiscal impact of expanding it to corporations and other types of businesses cannot be determined. Nor is it known the potential size of the qualifying ten projects.

Section 4 provides a tax credit for individuals who had previously invested in an ethanol production facility and who did not qualify for the tax credit due to the statutory tax credit limitation. This provision is expected to result in a reduction in state general fund revenues of \$1.05 million for each of the next two biennia.

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.*

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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**Agency:** Office of Tax Commissioner  
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