

**FISCAL NOTE**  
 Requested by Legislative Council  
 04/05/2011

Amendment to: Engrossed  
 HB 1057

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed House Bill 1057 with Senate Amendments makes a number of changes to the angel fund investment income tax credit law and provides for a study.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Engrossed House Bill 1057 with Senate Amendments changes the angel fund investment income tax credit law to (1) allow the credit to passthrough entities, (2) allow investors in an angel fund to sell or transfer up to \$100,000 of their credit to another taxpayer, (3) require an angel fund to invest only in primary sector businesses, (4) prohibit an angel fund from investing in a business if one of its investors indirectly owns 50 percent or more of the business, (5) require an angel fund to provide to the tax commissioner information about the investments received from its investors, (6) extend the unused credit carryover period from 4 to 19 years, and (7) provide for a Legislative Management study of the tax policy and related impacts of allowing tax credits to be transferred from one taxpayer to another. The changes to the angel fund credit provisions are effective for the 2011 and 2012 tax years, after which the changes will expire.

These changes to the angel fund investment income tax law will potentially decrease state general fund revenues. The amount of the potential decrease cannot be determined because the extent to which the changes will contribute to increased investment activity during the 2011-13 biennium is not known.

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency*

*and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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