

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 299** SLS 18RS 192

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 11, 2018 1:13 PM	Author: GATTI
Dept./Agy.: Revenue / Economic Development	Analyst: Greg Albrecht
Subject: Tax Benefits and Incentives	

COMMERCIAL REGULATIONS OR DECREASE GF RV See Note Page 1 of 1
Provides that if one business gets an advantage from the government, all businesses in the state receive the same advantage. (8/1/18)

Requires every tax benefit and incentive for businesses to be automatically applied equally to all businesses. Specifically references small businesses as required to receive the same benefits and incentives as any business who applies to a tax or incentive benefit program.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

The bill requires the extension of every business tax benefit and incentive to all businesses equally, without request or action from a business. To accomplish such a task would likely require additional staff in the state agencies that administer these benefits and programs, primarily the departments of Revenue and Economic Development, although other agencies would likely be involved. Necessary costs increases can not be estimated given the general nature of the bill, but could be significant since an ongoing effort would likely be required by affected agencies. Should the bill also be applicable to property tax benefits, substantial administrative costs could occur at the local government level, as well.

REVENUE EXPLANATION

The bill provides for the general extension of every business tax benefit and incentive to all businesses equally, without request or action from a business. The state has a variety of incentive programs and numerous tax benefits available to businesses - estimated by the Dept. of Revenue Tax Exemption Budget at approximately \$4.8 billion. While the bill provides no guidance as to implementation, such an extension would likely reduce state net tax collections by some multiple of existing cost. Should the bill also be applicable to property tax benefits, substantial tax revenue reductions would occur at the local government level, as well.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Legislative Fiscal Officer