

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 708** HLS 14RS 895

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 1, 2014 12:30 PM	Author: GAROFALO
Dept./Agy.: Economic Development	Analyst: Deborah Vivien
Subject: Adjusts the state sales tax rebate in Competitive Projects	

TAX/TAX REBATES

EG NO IMPACT GF RV See Note

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Defines "qualified capital expenditures" eligible for a project facility expense rebate through the Competitive Projects Payroll Incentive Program

Current law provides that the state sales tax rebate on capital expenditures within the Competitive Projects Payroll Program exclude all sales of machinery and equipment.

Proposed law directs only those sales of manufacturing machinery and equipment that were exempt from state sales tax to be excluded from the base calculation for the sales tax rebate within the Competitive Projects Payroll Program. This adjustment allows the Competitive Projects Payroll Program sales tax rebate to operate in the same manner as the rebates in the Enterprise Zone and Quality Jobs programs.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill puts the program in the posture that was contemplated when the original bill was passed. According to the Department of Economic Development, there have been no payouts of sales tax rebates through the Competitive Projects Payroll Program.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist