

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 245** SLS 11RS 386

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 28, 2011	9:29 AM	Author: WILLARD-LEWIS
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Tax Credit For Sales Tax Paid On Green Materials		

TAX/TAXATION

OR DECREASE GF RV See Note

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Provides a tax credit against individual state income tax for the amount of sales tax paid by homeowners when purchasing green materials for residential home building or remodeling. (8/15/11)

The bill provides a nonrefundable personal income tax credit for state sales tax paid by a homeowner for green materials and supplies used in residential building, rebuilding, and remodeling. Eligible green materials must meet the requirements of the United States Green Building Council.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	2011-12	2012-13	2013-14	2014-15	2015-16	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	<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

The Department of Revenue will incur some staff time costs associated with modifying its tax processing systems to accommodate this new tax credit. Those costs are typically in the range of \$10,000 to \$20,000.

REVENUE EXPLANATION

The bill will result in state revenue losses to the extent credits are claimed for sales taxes paid on purchases of green materials for residential building, rebuilding, and remodeling. The total amount of such eligible expenditures can not be determined with any degree of confidence, and the level of the state's revenue exposure can not be determined.

The 4% state sales tax implies that \$25 million of eligible expenditures would be necessary to generate \$1 million of potential tax credit exposure to state revenue.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<i>H. Gordon Monk</i>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	H. Gordon Monk Legislative Fiscal Officer
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	