

**LEGISLATIVE FISCAL OFFICE**  
Fiscal Note



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

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP SEN COMM AMD**

Sub. Bill For.:

<b>Date:</b> May 31, 2011	7:04 AM	<b>Author:</b> WILLARD-LEWIS
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Tax Credit For Sales Tax Paid On Green Materials		

TAX/TAXATION OR DECREASE GF RV See Note Page 1 of 1

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. The credit amount is limited to \$250 per year. Eligible green materials are those certified by the Forest Stewardship Council or the United States Environmental Protection Agency Comprehensive Procurement Guideline program.

The credit is available for two tax years, 2012 and 2013.

<b>EXPENDITURES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	DECREASE	DECREASE	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 bill provides a maximum credit of \$250 per year, implying a maximum of \$6,250 of eligible expenditures per taxpayer per year at the state 4% sales tax rate. It would take 4,000 claims at the maximum credit amount to generate \$1 million of potential tax credit exposure to state revenue.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<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}	<i>H. Gordon Monk</i> <b>H. Gordon Monk</b> <b>Legislative Fiscal Officer</b>
		<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}	