

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 163** SLS 13RS 458

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 10, 2013 12:25 PM	<b>Author:</b> MARTINY
<b>Dept./Agy.:</b> Economic Development/Revenue	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Allows for a general tourism development tax credit	

TAX/TAXATION

OR DECREASE GF RV See Note

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Provides for tax credit against corporate income and franchise taxes based on the increase in visitors resulting from certain activities undertaken by businesses seeking the credit. (8/1/13)

Proposed law allows the Department of Economic Development to enter into a contract with any entity agreeing to undertake activities that will increase the number of tourists by 100,000 or more per year. The credit is to be based incrementally on new tourists, as administered by the Department of Economic Development, and will be paid as a refundable income tax credit.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Without a more detailed description of the program and the administrative requirements, a realistic determination of costs cannot be addressed. Given the broad parameters of the bill, the exposure to the state could be significant.

**REVENUE EXPLANATION**

The bill allows LED to essentially contract with any entity at any cost, as long as the agreement involves bringing in at least 100,000 additional tourists to the state (baseline is not defined). Without a more detailed description of the program and the administrative requirements, a realistic determination of revenue impacts cannot be addressed. Given the open-ended parameters of the bill, the exposure to the state could be significant.

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|---|----------------------------|--|
| <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) >= \$500,000 Annual Fiscal Cost {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} |

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