

FISCAL NOTE
Requested by Legislative Council
01/21/2013

Bill/Resolution No.: SB 2290

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2011-2013 Biennium | | 2013-2015 Biennium | | 2015-2017 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | \$(193,500,000) | | | |
| Expenditures | | | \$639,272,000 | | | |
| Appropriations | | | | | | |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2290 creates a residential property tax credit, a agricultural property tax credit, and a renters' refundable income tax credit.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of SB 2290 creates a property tax credit for a resident's primary residence. Section 1 also creates a property tax credit for certain agricultural property if the owner is a resident whose primary residence in an exempt farm home. Section 2 creates a refundable income tax credit for individuals who rent their primary residences.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The residential and agricultural property tax credits authorized in Section 1 of SB 2290 are expected to increase state general fund expenditures by an estimated \$639.272 million in the 2013-15 biennium. The renter's income tax credit authorized in Section 2 is expected to reduce individual income tax revenues by an estimated \$193.5 million in the 2013-15 biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The increase in expenditures is the estimated biennial cost of the property tax credits authorized in Section 1. These expenditures do not include any administrative costs for the tax department.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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