

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1534 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-24-91

Please estimate the fiscal impact of the above measure for:

State general or special funds  Counties  Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

If HB 1534 is enacted, the following changes will affect the state's general fund:

- The type of qualifying business allowed an income tax exemption will be restricted-- a positive fiscal effect on the general fund.
- Expansion of existing businesses will qualify for income tax exemption--could have a negative effect on the general fund.
- Allowing businesses an income tax exemption without first receiving a property tax exemption could have a negative effect on the state's general fund.

While it is difficult to precisely determine, and because a typical new enterprise has little or no income tax liability during its beginning years, it is estimated that the net effect to the state general fund would be ±\$5,000 during the 1991-93 biennium.

If HB 1534 is enacted, the property tax exemption will be expanded to include expansion of existing enterprises. Because the approval of the exemption is a local option, we cannot determine the fiscal impact for the 1991-93 biennium.

State Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>

County and City Fiscal Effect:

<u>1991-92</u>		<u>1992-93</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Date Prepared: 2-5-91

Signed *Kathryn L. Strombeck*

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*AAB*