

FISCAL NOTE

Requested by Legislative Council

02/19/2003

Amendment to: HB 1019

1A. **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.*

2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds

Revenues

Expenditures

Appropriations

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 5 of engrossed HB 1019 directs the Tax Commissioner to conduct an audit of the ethanol production incentive program. It is unknown if the audit will result in any additional revenues. The Tax Dept. will incur a small, indeterminable amount of administrative expenses in conducting the audit.

Section 16 of engrossed HB 1019 modifies the provisions of the seed capital investment tax credit program. It increases the amount of credit to 45% of the qualifying investment and increases the maximum annual investment amount for which a taxpayer can claim credit from \$50,000 to \$100,000; it lowers the amount of the credit which can be used in any taxable year from 50% to 33%. The net effect of these provisions cannot be estimated. However, the total cumulative amount of seed capital investment tax credits cannot exceed \$2.5 million.

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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