FISCAL NOTE

Requested by Legislative Council
01/11/2011

Bill/Resolution No.: SB 2160

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **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 2160 creates a new tax credit for financial institutions, and expands the existing endowment fund tax credit for individuals.

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 2160 creates a new tax credit for financial institution tax purposes that is based on the qualified endowment credit already allowed for income tax purposes. The new credit is only allowed against the state general fund portion of the financial institution tax; it does not affect the portion of the financial institution tax that is distributed to the counties.

Section 2 of the bill only makes a technical change to the financial institution law to incorporate a reference to the new credit.

Section 3 of the bill expands the existing qualified endowment income tax credit provisions to allow individuals to claim the credit for contributions in a form other than a planned gift to a qualified endowment fund. The credit is 40% of the contribution, up to a maximum of $10,000 (or $20,000, on a joint return). To qualify, a single gift, or the aggregate of multiple gifts, made in a tax year to a particular endowment fund must be at least $5,000.

The potential decrease in state general fund revenue attributable to the new financial institution tax credit (in Section 1 of the bill) cannot be determined as it is not known to what extent financial institutions will make contributions to qualified endowment funds.

Similarly, the potential decrease in state general fund revenue attributable to the expansion of the qualified endowment fund credit for individuals cannot be determined as it is not known to what extent individuals will make qualifying contributions to qualified endowment funds.

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, 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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