

FISCAL NOTE
SENATE BILL NO. 2261
LC# 25.1273.01000
01/24/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - 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 2261 creates a prison industries workforce development income tax credit.

4 - Fiscal Impact Sections Detail

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 2261 would create a nonrefundable income tax credit for primary sector businesses for up to ten percent of the cost incurred on components of final manufactured products for which the taxpayer subcontracted labor provided by prison industries for the purpose of workforce development of inmates. The aggregate amount of credits per calendar year may not exceed forty-five thousand dollars. However, if the aggregate amount of credits claimed is less than the allowable credit amount, remaining unclaimed credits may be carried forward to the next calendar year. If the aggregate amount of credits claimed is greater than the available amount, the credit would be

prorated among the claimants.

While the potential fiscal impact is \$90,000 per biennium of a reduction in revenue, the actual fiscal impact cannot be determined due to unknown variables surrounding taxpayer behavior, including the number of taxpayers and total amount of credits that will be claimed.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

Name: Shailyn Hieb

Agency: Office of State Tax Commissioner

Telephone: 7013283007

Date Prepared: 01/24/2025