

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 151** HLS 13RS 509

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 3, 2013	10:28 AM	<b>Author:</b> COX
<b>Dept./Agy.:</b> Revenue/CRT		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Cane River Heritage Income Tax Credit Extension		

TAX CREDITS

EN DECREASE GF RV See Note

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Extends the sunset of tax credits for certain heritage-based cottage industries located within the Cane River Heritage Area

Current law provides an income or franchise tax credit for heritage-based cottage industries located in the Cane River Heritage Area Development Zone. The Department of Culture, Recreation and Tourism enters into contracts for up to five years with qualifying businesses. The credit is up to \$1,500 in each year of the contract and an additional \$1,500 per resident employee during the year in which the job is created (net one new full-time or net two new part-time jobs). Credits may be carried forward for up to ten years. No new applications are to be approved by CRT as of January 1, 2014. Those approved prior to the sunset will continue to receive benefits as long as eligibility is maintained.

Proposed law retains current law and extends the sunset from January 1, 2014 to January 1, 2018.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Department of Culture, Recreation and Tourism (CRT) cannot anticipate the number of applications to be received and, to date no applications for the program have been received by CRT.

**REVENUE EXPLANATION**

To the extent that businesses qualify and receive the exemption between January 1, 2104 and January 1, 2018, state general fund revenue will decrease. According to the Department of Revenue, since the inception of the program, credits claimed have totaled about \$5,000 but were subsequently disallowed. To date, CRT has not received any applications. Extension of the program may be in anticipation of applications, and future revenue losses could occur. The program's inactivity suggests that these potential losses are likely to be small. No effect can occur in FY14 since the current law program is open until the start of 2014 anyway.

Senate

Dual Referral Rules

House

- |   |  |
|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}                        |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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