

BDR 34-866 SB 144

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 2, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Personnel Services (Expense)		\$127,698	\$165,816	\$331,632
Operating (Expense)		\$5,041	\$5,469	\$10,938
Equipment (Expense)		\$9,216		
Information Services (Expense)		\$56,521	\$3,162	\$6,324
General Fund Revenue (Revenue)		(\$10,000,000)	(\$10,000,000)	(\$20,000,000)
Total	0	(\$10,198,476)	(\$10,174,447)	(\$20,348,894)

Explanation

(Use Additional Sheets of Attachments, if required)

Establishes a total of \$10,000,000 credit issued each fiscal year which can be applied to modified business taxes for a taxpayer who donates money to eligible programs of career and technical education. This bill will require the Executive Director of Taxation to be responsible for soliciting applications and selecting a career and technical program tax credit organization. The oversight of this organization, the responsibilities, and authority thereof, will be shared with the Department of Education.

This request is for the funding of two positions beginning in October 2023. A Tax Examiner II will be required to receive and track requests, ensure the Department is awarding and issuing the appropriate dollar amount in credits each fiscal year, and issue correspondence. A Tax Program Supervisor I is required to oversee the addition of this tax credit program in its entirety and to provide supervision to the Tax Examiner II.

Personnel Services expenses are expected in the amount of \$127,698 in FY24 and \$165,816 in FY25. With the exception of the one-time cost of \$7,568 in FY24 to fund overtime for IT staff, the costs will be recurring for future biennia. There will be additional recurring Operating Expenses in the amount of \$5,041 for FY24 and \$5,469 for FY25. A one-time equipment expense in the amount of \$9,216 is needed in FY24. The Information Services expense includes MSA Programmer expenses to implement changes into the Department's computer system in the amount of \$49,536 for FY24. This expense is one-time in nature. The cost of \$6,324 is recurring in future biennia for required EITS Assessment costs (phone, productivity suite, etc).

Assuming that all tax credits are taken in the year they are approved, a revenue loss up to \$10,000,000 will be realized in FY24 and again in FY25. The revenue loss will have an impact on future biennia.

Name Adriane Roberts-Larson

Title Deputy Executive Director -
Administrative Services

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Wednesday, March 01, 2023

Name Amy Stephenson

Title Director