

**EXECUTIVE AGENCY  
FISCAL NOTE**

**AGENCY'S ESTIMATES**

Date Prepared: February 19, 2015

Agency Submitting: Department of Taxation

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>	<b>Effect on Future Biennia</b>
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached Exhibit 1

Name Deonne Contine

Title Executive Director

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

Date Thursday, February 19, 2015

The agency's response appears reasonable.

Name Julia Teska

Title Director

**DESCRIPTION OF FISCAL EFFECT**BDR/Bill/Amendment Number: BDR 34-747Name of Agency: Department of Taxation

Division/Department: \_\_\_\_\_

Date: February 18, 2015

BDR 34-747 establishes the Nevada Educational Choice Scholarship Program. This bill allows for a credit against the modified business tax for taxpayers who donate money to a qualifying scholarship organization.

Through this program, scholarship organizations will apply to the Department of Taxation for a credit on behalf of a taxpayer who makes a donation. The Department will approve or deny the application and identify the amount of the credit that the taxpayer can use against future modified business taxes. Applications will be reviewed and approved in the order in which they are received. The cumulative amount of credits will not exceed the thresholds as set in the bill of \$10 million for fiscal year 2016, \$11 million for fiscal year 2017; and 110% percent of the amount authorized in each preceding fiscal year for each succeeding year. The Department would begin accepting applications and approving credits on January 1, 2016.

***Revenues***

The Department is not able to determine the impacts on revenue. We do not have information on how many taxpayers will apply through this program and the amounts in which they will be approved. However, the bill outlines the maximum amount of credits allowed per fiscal year. Alternatively, the Department cannot determine the increase in tax revenue this bill may cause.

***Expenses***

In order to administer this bill the Department will need to make some programming changes to the Unified Tax System. These costs can be absorbed in our current budget. Additionally, the Department is unaware of the volume of applicants that may apply. However, we believe that we can manage this program with our current staffing levels.