

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 25, 2015

Agency Submitting: Department of Taxation

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

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached.

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Tuesday, March 24, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 38-1057

Name of Agency: Department of Taxation

Division/Department: _____

Date: March 23, 2015

BDR 38-1057 provides for credits against the modified business tax for taxpayers who donate money to a qualifying early childhood education 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.

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.