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FISCAL IMPACT REPORT

SPONSOR:	Maes	DATE TYPED:	01/24/00	HB	
SHORT TITLE:	Technology Jobs Tax Credit Act			SB	28
				ANALYST:	Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY00	FY01	Years Impact	or Non-Rec	Affected
	\$ (16,000.0)	\$ (18,000.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to SB25,SB42, SB43,HB52

SOURCES OF INFORMATION

Taxation and Revenue Department

SUMMARY

Synopsis of Bill

Endorsed by the Economic and Rural Development and Telecommunications Committee. Authorizes two credits, each equal to 5% of qualified expenditures, for research and development firms. These credits are doubled if the firm is located in a rural area. Eligible expenditures are based on purchase price or "reasonable value" of the equipment at time of installation. The credits can be rolled over.

The first credit, the "basic credit", can be applied against gross receipts, compensating and withholding taxes. The second credit, the "additional credit", would be available if payroll increases by at least \$50,000 for every \$1,000,000 of expenditure claimed and can be taken against personal or corporate income taxes. The effective date of the bill would be July 1, 2000.

Significant Issues

Analysis assumes Sandia National Laboratories would not qualify.

FISCAL IMPLICATIONS

Taxation and Revenue Department estimates recurring revenue loss to the General Fund is estimated at \$16,000 in FY01 and \$18,000 for a full year.

ADMINISTRATIVE IMPLICATIONS

TRD notes some additional systems costs as well increased audit and compliance costs.

AW/njw