

TAX CREDIT ANALYSIS

Program Name: Bank Franchise Tax																													
Department: Revenue		Contact Name & No.: Joel Allison, 751-0191			Date: October, 2011																								
Program Category: Financial and Insurance				Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____																									
Statutory Authority: Section 148.064 RSMo				Applicable Taxes:																									
Program Description and Eligibility Requirements: A banking institution shall be entitled to an annual tax credit equal to 1/60th of 1 percent of its outstanding shares and surplus employed in this state if the outstanding shares and surplus																													
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ This tax credit shall be taken as a dollar-for-dollar credit against the bank tax provided for in Section 148.030.2(2), RSMo, if such bank tax was already reduced to zero by other credits, then against the corporate income tax provided for in Chapter 143, RSMo. Section 148.030.2(2) RSMo, indicates how the tax credit shall be taken: "The amount determined under this subdivision shall be 7 percent of the taxpayer's net income for the income period, from which product shall be subtracted the sum of the amount determined under subdivision 1 of this subsection and the credits allowable under subsection 3 of this section. However, the amount determined under this subdivision shall not be less than zero."																													
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None _____																													
Explanation of cap: N/A																													
Explanation of Expiration of Authority:																													
Specific Provisions: (if applicable) Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____																													
Comments on Specific Provisions:																													
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012(current year)	FY 2013 (budget year)																								
Certificates Issued (#)	0	0	0	0	0																								
Projects (#)	0	0	0	0	0																								
Amount Authorized	\$0	\$0	\$0	\$0	\$0																								
Amount Issued	\$0	\$0	\$0	\$0	\$0																								
Amount Redeemed	\$2,710,300	\$2,013,584	\$4,233,673	\$2,500,000	\$2,500,000																								
EST. Amount Outstanding	N/A	N/A	\$0	N/A	N/A																								
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A																								
HISTORICAL AND PROJECTED INFORMATION																													
<table border="1" style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <caption>Historical and Projected Information Data</caption> <thead> <tr> <th>Category</th> <th>FY 2009</th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> </tr> </thead> <tbody> <tr> <td>Amount Authorized</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Amount Issued</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Amount Redeemed</td> <td>\$2,710,300</td> <td>\$2,013,584</td> <td>\$4,233,673</td> <td>\$2,500,000</td> <td>\$2,500,000</td> </tr> </tbody> </table>						Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Amount Authorized	\$0	\$0	\$0	\$0	\$0	Amount Issued	\$0	\$0	\$0	\$0	\$0	Amount Redeemed	\$2,710,300	\$2,013,584	\$4,233,673	\$2,500,000	\$2,500,000
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Comments on Historical and Projected Information:																													

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BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTIVITY	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	\$0	\$0
Indirect Fiscal Benefits	\$74,154	\$74,154
Total	\$74,154	\$74,154
COSTS		
Direct Fiscal Costs	\$4,233,673	\$4,233,673
Indirect Fiscal Costs	\$0	
Total	\$4,233,673	\$4,233,673
BENEFIT: COST	0.02	0.02

Derivation of Benefits:
 The Department of Revenue, with the assistance of the Missouri Department of Economic Development, used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
 \$4,233,673 reduction in monetary authorities and bank production costs in 2011.

Other Benefits:

In Fiscal Year 2011, every dollar of authorized program tax credits returns:

\$0.14	in new personal income totaling	\$0.60	million
\$0.38	in new value-added/GSP totalin	\$1.61	million
\$0.59	in new economic output totaling	\$2.50	million

Over 10 years, every dollar of authorized program tax credits returns:

\$0.14	in new personal income totaling	\$0.60	million
\$0.38	in new value-added/GSP totalin	\$1.61	million
\$0.59	in new economic output totaling	\$2.50	million

PERFORMANCE MEASURE(S)

Comments on Performance Measure: