TAX CREDIT ANALYSIS

Program Name: Family Development Account (FDA)

Department: Economic Development | **Contact Name & No.:** Brenda Horstman 751-3713 | **Date:** October 2012

Program Category: Community Development | **Type:** Tax Credit__X__ Other (specify)____

Statutory Authority: 208.750 - 208.775, RSMo | **Applicable Taxes:** Income, Corporate franchise, Bank tax, Insurance premium tax; Other financial institutions tax, Express company tax

Program Description and Eligibility Requirements:

Promotes self-sufficiency through asset development for low-income persons through a matched savings program. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved FDA projects.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

Tax credits are provided to a contributor (based on 50% of the contribution) that donates to an approved organization administering the Family Development Account project. The matched savings fund can be used by the low-income persons for education, job training, purchase or rehabilitation of primary residence, or start-up capital for small business.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_300,000_____ None _____

Explanation of cap:
$300,000 in tax credits are awarded each fiscal year on an open cycle.

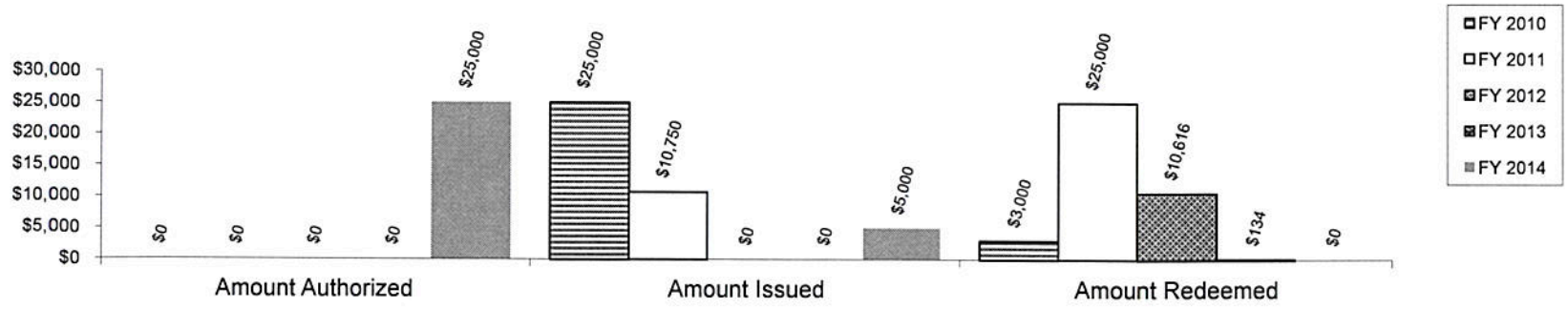
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	1	3	0	0	0
Projects (#)	0	0	0	0	1
Amount Authorized	$0	$0	$0	$0	$25,000
Amount Issued	$25,000	$10,750	$0	$0	$5,000
Amount Redeemed	$3,000	$25,000	$10,616	$134	$0
EST. Amount Outstanding	N/A	N/A	$134	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

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BENEFIT: COST ANALYSIS (includes only state revenue impacts)

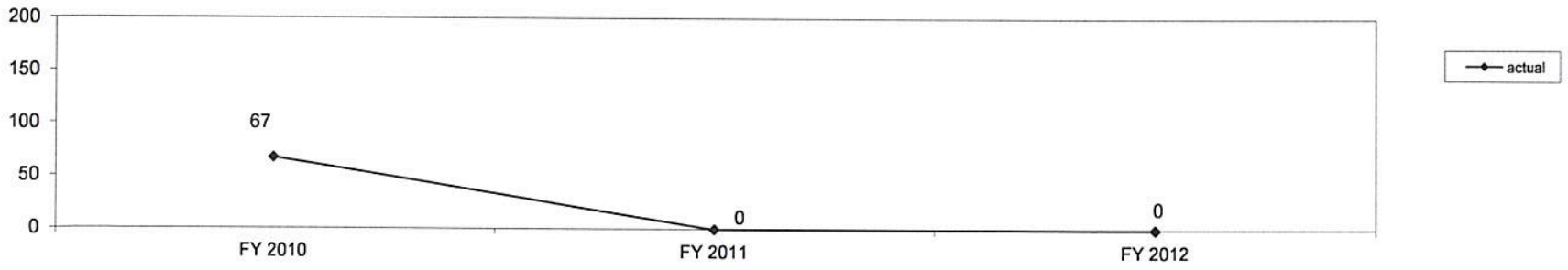
	FY 2012 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	**0.00**	**0.00**

Derivation of Benefits

No New Authorizations in FY 2012.

PERFORMANCE MEASURE(S)

Purchase of New/Rehabbed Housing



Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to save to buy a primary residence or rehab a primary residence. These are actual numbers of participants that have met their goals.

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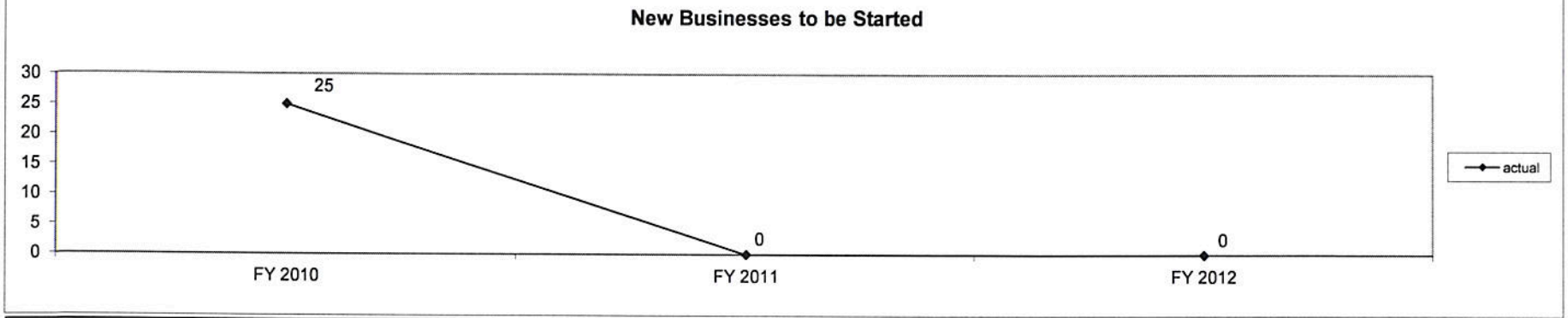
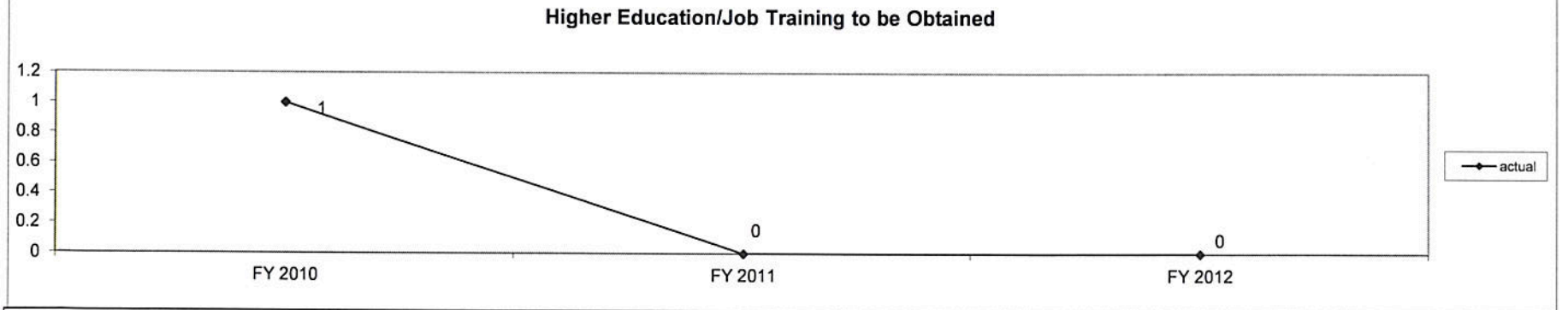


Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to start a new business. These are actual numbers of participants that have met their goals.



Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to save to go to college or participate in an accredited job training program. These are actual numbers of participants that have met their goals.

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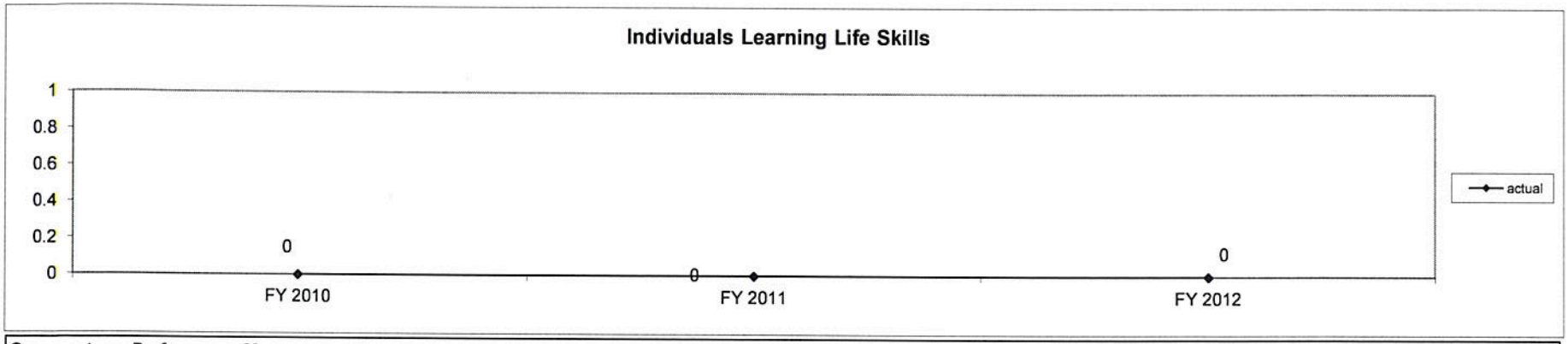

Comments on Performance Measure:
FDA is a matched savings program. Enrollees attend financial literacy courses. These are actual numbers of participants that have met their goals.