

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit (NPA)					
Department: Economic Development		Contact Name & No.: Nathan Potter 522-8006		Date: October 2012	
Program Category: Housing		Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____			
Statutory Authority: 135.475 - 135.487, RSMo		Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax			
Program Description and Eligibility Requirements: Provide an incentive for homeowners in certain lower income areas to rehabilitate their home, or incentive for "in-fill" new construction of owner-occupied housing. Geographic eligibility restrictions; age of home restrictions; must be residence intended for owner-occupancy.					
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ Tax Credit of 25% - 35% of eligible renovation costs, or 15% of new construction. This is a calendar year program.					
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million None _____					
Explanation of cap: \$8M for eligible areas; \$8M for qualifying areas (as defined by law). Credits are awarded on a first-come first-served basis by utilizing a lottery system.					
Explanation of Expiration of Authority:					
Specific Provisions: (if applicable) Carry forward <u>5</u> years Carry Back <u>3</u> years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> 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 (#)	202	97	41	150	150
Projects (#)	202	97	41	150	150
Amount Authorized	\$10,290,561	\$8,747,403	\$9,145,202	\$10,000,000	\$10,000,000
Amount Issued	\$5,987,555	\$2,431,678	\$969,307	\$6,000,000	\$6,000,000
Amount Redeemed	\$6,739,113	\$4,427,639	\$2,159,654	\$6,000,000	\$6,000,000
EST. Amount Outstanding	N/A	N/A	\$2,931,036	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$45,881,700	N/A	N/A

Fiscal Year	Amount
FY 2009	\$10,290,561
FY 2010	\$8,747,403
FY 2011	\$9,145,202
FY 2012	\$10,000,000
FY 2013	\$10,000,000

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■ FY 2009

▨ FY 2010

□ FY 2011

■ FY 2012

■ FY 2013

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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period 5 Years	Derivation of Benefits:
BENEFITS			Investment: (a) \$60,800,028.97 in Non-residential Investment Demand in 2012.
Direct Fiscal Benefits	\$514,570	\$938,744	Employment: (a) n/a
Indirect Fiscal Benefits	\$332,987	\$607,477	Other Assumptions: (a) n/a
Total	\$847,557	\$1,546,221	Incentives/Credits: (a) \$9,145,201.93 in authorized NPA credits, redeemed in 2012.
COSTS			Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
Direct Fiscal Costs	\$9,145,202	\$9,145,202	The multi-year fiscal Benefit-Cost Ratio is .14 when other program incentives are included.
Indirect Fiscal Costs	\$0	0	
Total	\$9,145,202	\$9,145,202	
BENEFIT: COST	0.09	0.17	

Other Benefits:

In FY2012, every dollar of authorized program tax credits returns

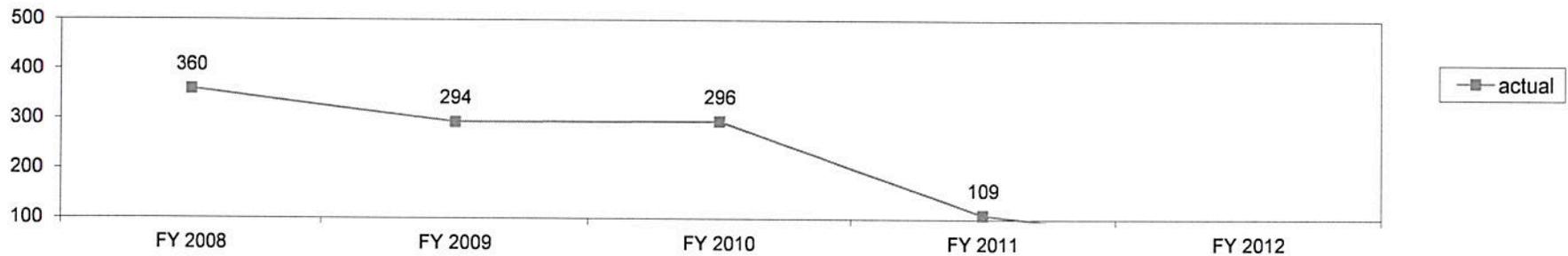
\$1.34 in new personal income totaling	\$12.27 million
\$2.67 in new value-added/GSP totaling	\$24.38 million
\$4.29 in new economic output totaling	\$39.28 million

Over 5 years, every dollar of authorized program tax credits returns

\$2.73 in new personal income totaling	\$25.01 million
\$5.17 in new value-added/GSP totaling	\$47.27 million
\$8.27 in new economic output totaling	\$75.59 million

PERFORMANCE MEASURE(S)

Housing Units

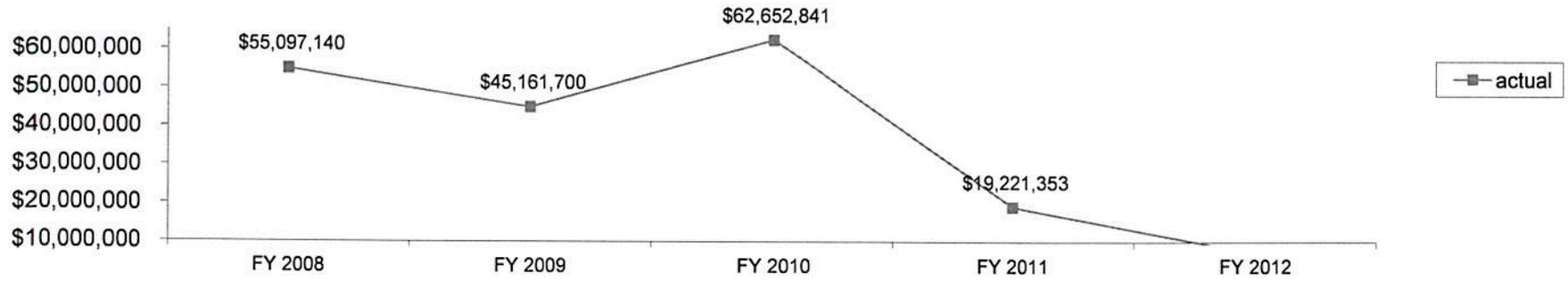


Comments on Performance Measure:

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Amount Leveraged



Comments on Performance Measure: