TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program (YOP)

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

Program Category: Domestic and Social | **Type: Tax Credit** X **Other (specify)**____

Statutory Authority: 135.460 and 620.110-620.1103, RSMo | **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express companies tax

Program Description and Eligibility Requirements:

This is a contribution tax credit program which broadens and strengthens opportunities for positive development and participation in community life for youth and discourages criminal and violent behavior. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved YOP projects.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

Credits are awarded on an open cycle and are awarded at 50% of the approved project budget

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_6 million_____ None _____

Explanation of cap:

Explanation of Expiration of Authority:

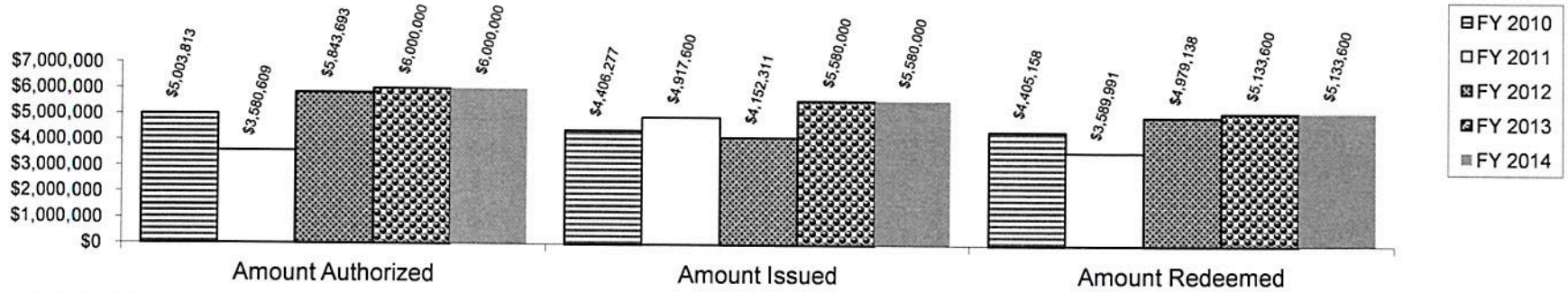
Specific Provisions: (if applicable)

Carry forward __5___ 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 (#)	3,043	3,072	2,634	3,000	3,000
Projects (#)	39	23	41	42	42
Amount Authorized	$5,003,813	$3,580,609	$5,843,693	$6,000,000	$6,000,000
Amount Issued	$4,406,277	$4,917,600	$4,152,311	$5,580,000	$5,580,000
Amount Redeemed	$4,405,158	$3,589,991	$4,979,138	$5,133,600	$5,133,600
EST. Amount Outstanding	N/A	N/A	$6,504,430	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	$6,197,325	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (6 years)
BENEFITS		
Direct Fiscal Benefits	$63,030	$290,482
Indirect Fiscal Benefits	$59,064	$272,201
Total	$122,094	$562,683
COSTS		
Direct Fiscal Costs	$973,949	$5,578,976
Indirect Fiscal Costs	$0	$0
Total	$973,949	$5,578,976
BENEFIT: COST	**0.13**	**0.10**

Derivation of Benefits

Investment: (a) $158,120 in construction demand in 2012.
Employment: (a) 6 jobs in social assistance at average wages in 2012-2017.
Other Assumptions: (a) 286 Job Skills Graduates earning an additional $1.716 million/yr in disposable personal income between 2012-2017, (b) 54 new HS/GED graduates earning an additional $324,000/yr in disposable personal income in 2012-2017.
Incentives/Credits: (a) $5,843,693 in authorized YOP credits, redeemed between 2012-2017.
Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
The multi-year fiscal Benefit-Cost Ratio is 0.08 when other program incentives are included.

Other Benefits:

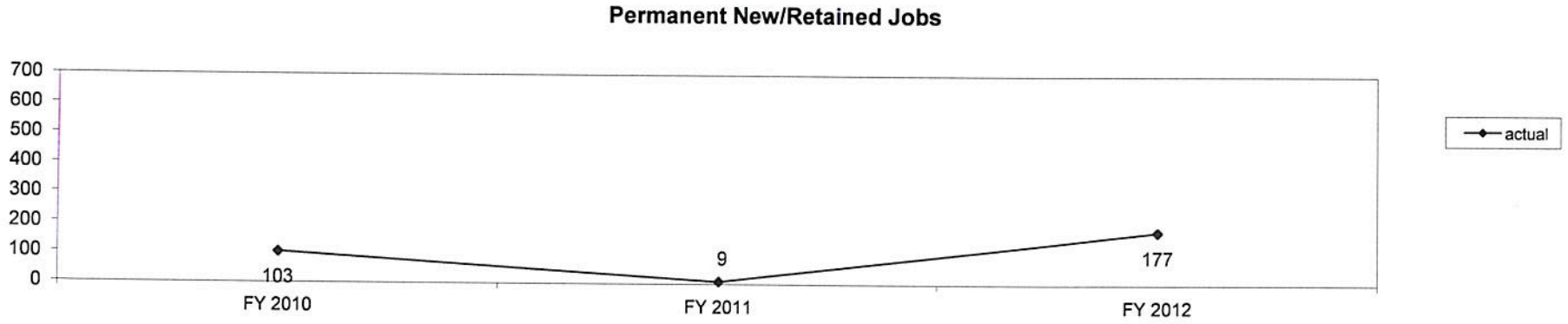
In FY-2012, every dollar of authorized program tax credits returns

$3.02	in new personal income totaling	$2.94 million
$5.01	in new value-added/GSP totaling	$4.88 million
$4.73	in new economic output totaling	$4.61 million

Over 6 Years, every dollar of authorized program tax credits returns

$3.22	in new personal income totaling	$17.97 million
$4.91	in new value-added/GSP totaling	$27.37 million
$4.62	in new economic output totaling	$25.76 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure:
Numbers are dependent on the type of projects that are funded each year.

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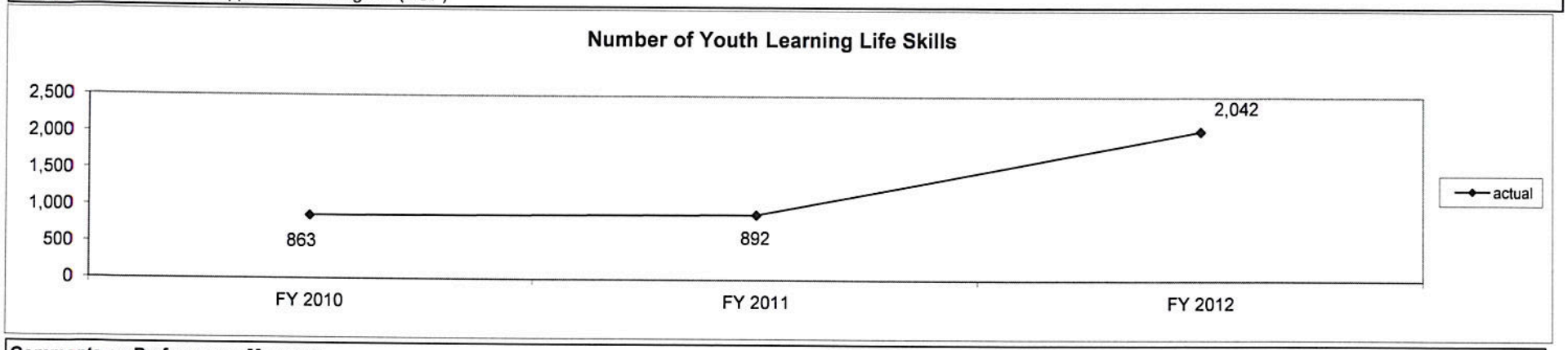
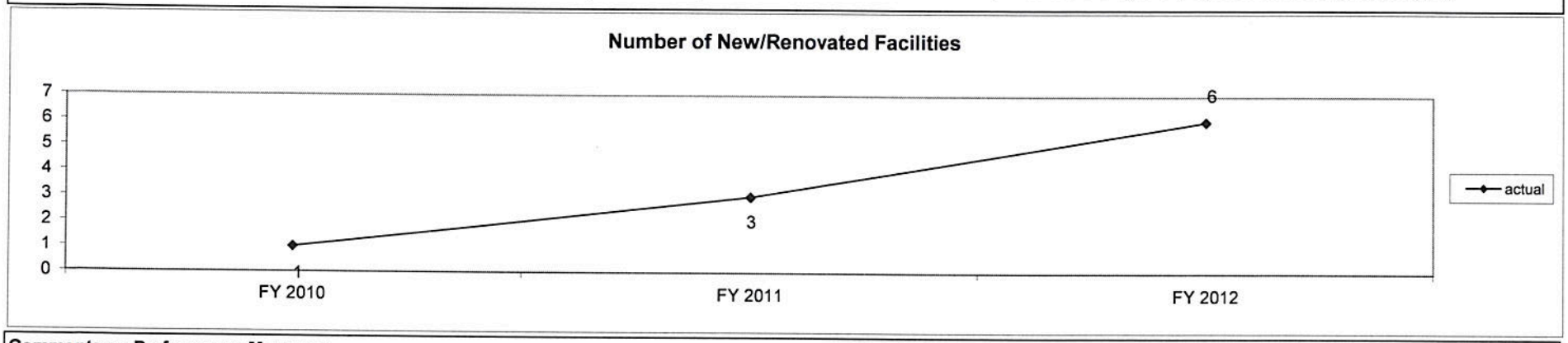


Comments on Performance Measure:
Includes individuals earning GEDs, job training and other skills necessary to be come productive citizens. Numbers are dependent on the type of projects that are funded each year.



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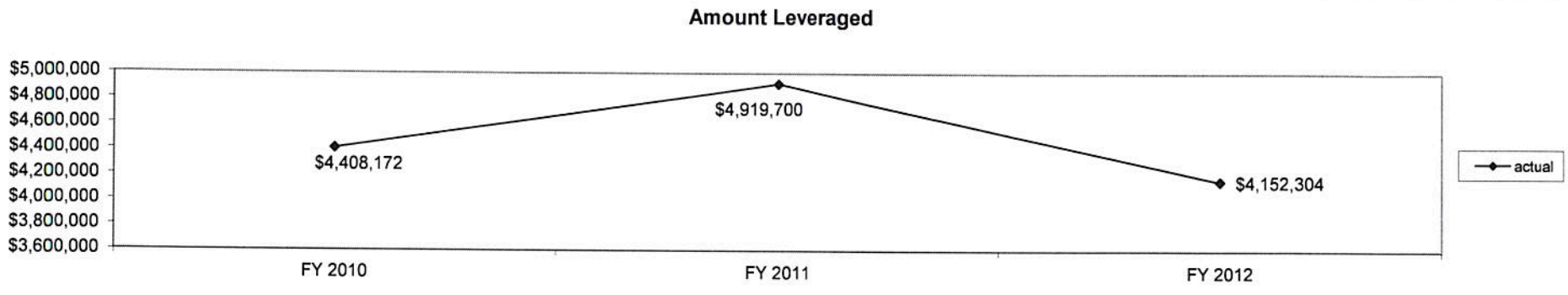

Comments on Performance Measure:
YOP tax credits leveraged (Total Contributions - Total Credits Issued)