

TAX CREDIT ANALYSIS

Program Name: Agricultural Product Utilization Contributor Tax Credit Program		
Department: Agriculture	Contact Name & No.: Tony Stafford (573) 751-5624	Date: 9/1/11
Program Category: Agricultural	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 348.430 RSMo	Applicable Taxes: Income, Franchise, and Financial Institution	

Program Description and Eligibility Requirements:
 A contributor who contributes funds to the Missouri Agricultural and Small Business Development Authority may receive a tax credit in an amount up to one hundred percent of such contribution. A contributor can be an individual, partnership, corporation, trust, limited liability company, entity or person that contributes cash funds to the authority. The funds derived from contributions shall be used for financial assistance or technical assistance in the form of value-added grants to rural agricultural business concepts. The authority may also provide or facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts.

Explanation of How Award is Computed: Entitlement Discretionary _____
 A contributor who contributes funds to the Missouri Agricultural and Small Business Development Authority may receive a tax credit in an amount up to one hundred percent of such contribution. The awarding of the credit is based on the least amount of credits necessary to provide incentive for the contributions.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 6,000,000 None _____
Explanation of cap: The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars. If on May 1st of each year the Missouri Agricultural and Small Business Development Authority determines that all \$6,000,000 will not be utilized as New Generation Cooperative Incentive Tax Credits then the unused credits may be sold as Agricultural Product Utilization Contributor Tax Credits. Credits not issued as New Generation Cooperative Incentive Tax Credits or sold as Agricultural Product Utilization Contributor Tax Credits lapse June 30th of each year.

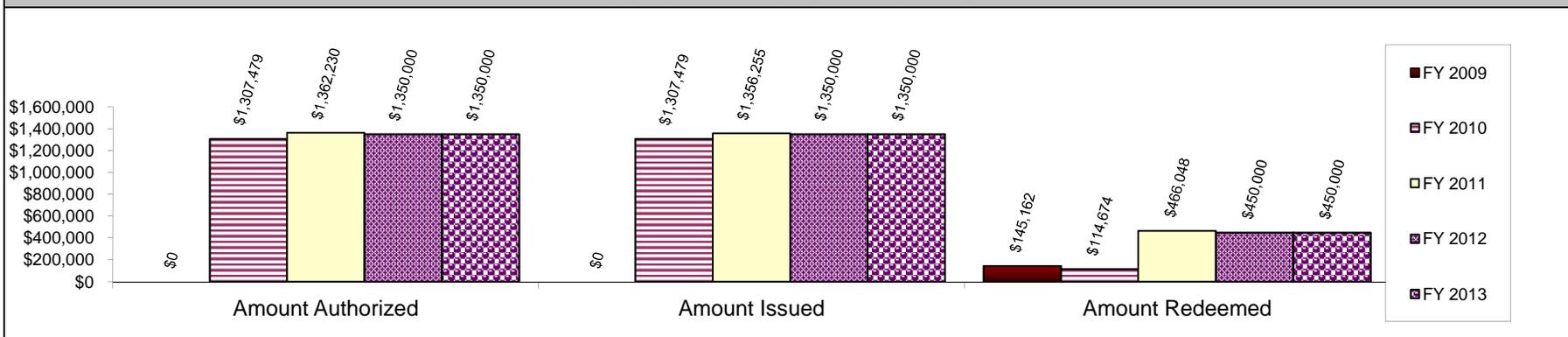
Explanation of Expiration of Authority: The provision of sections 348.430 RSMo shall expire on December 31, 2016 pursuant to 348.436 RSMo.

Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back 3 years Refundable NO Sellable/Assignable YES Additional Federal Deductions Available NO

Comments on Specific Provisions:

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012(current year)	FY 2013 (budget year)
Certificates Issued (#)	0	53	53	50	50
Projects (#)	0	11	12	10	10
Amount Authorized	\$0	\$1,307,479	\$1,362,230	\$1,350,000	\$1,350,000
Amount Issued	\$0	\$1,307,479	\$1,356,255	\$1,350,000	\$1,350,000
Amount Redeemed	\$145,162	\$114,674	\$466,048	\$450,000	\$450,000
EST. Amount Outstanding	N/A	N/A	\$2,969,392	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	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)

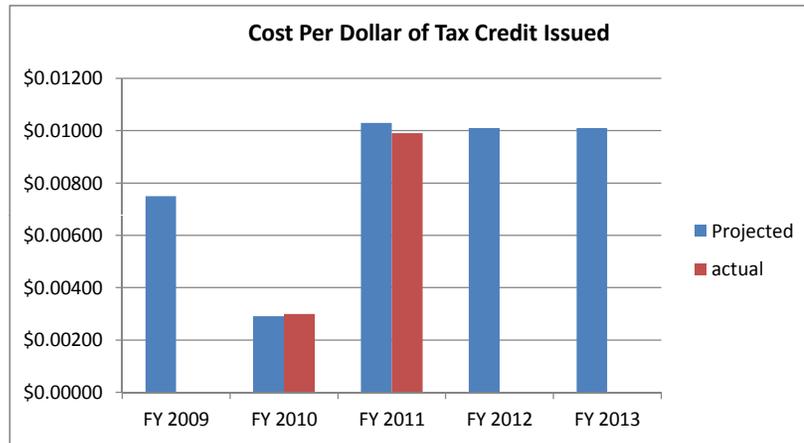
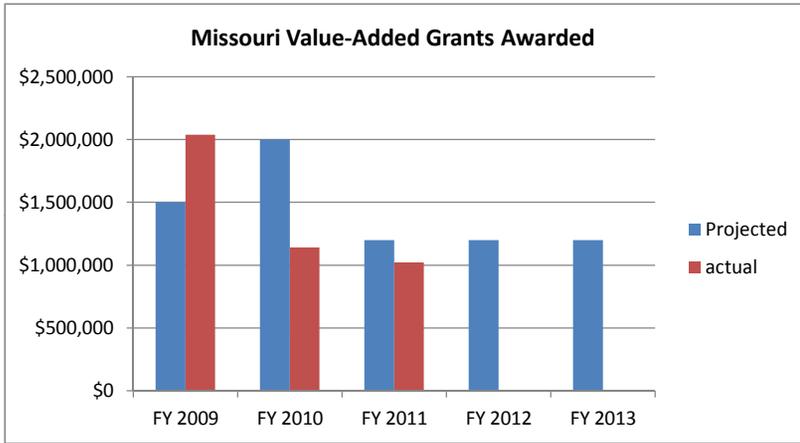
	FY 2011 ACTIVITY	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	741,300.00	14,061,591.00
Indirect Fiscal Benefits	1,347,186.00	24,921,647.00
Total	2,088,486.00	38,983,238.00
COSTS		
Direct Fiscal Costs	703,222.66	11,997,300.77
Indirect Fiscal Costs	0	0
Total	703,222.66	11,997,300.77
BENEFIT: COST	2.97	3.25

Derivation of Benefits: IMPLAN economic modeling system is used based on grant dollars actually paid. Payments are broken into NAICS Codes. Total value-added (direct fiscal benefits) and Total output (indirect fiscal benefits) are produced by IMPLAN.

Grants are awarded for pre-business start-up costs such as feasibility studies, marketing studies, business planning, etc.

Other Benefits: 12.7 jobs created

PERFORMANCE MEASURE(S)



Comments on Performance Measure: If a funded study demonstrates the potential for a project then the cost of the study becomes one small part of the actual cost of the project. If the project is successful it generates a good benefit cost ratio. If the study finds that the project is not feasible, the benefits of the project are the savings of investments that would have been lost. In which case the benefit cost ration is very high.

However, this analysis includes only actual grant dollars and does not take into account whether or not a project is feasible. If a project becomes operational and receives New Generation Cooperative Incentive Tax Credits then those benefits are accounted for in the New Generation Cooperative Incentive Tax Credit Program's Tax Credit Analysis.