

## TAX CREDIT ANALYSIS

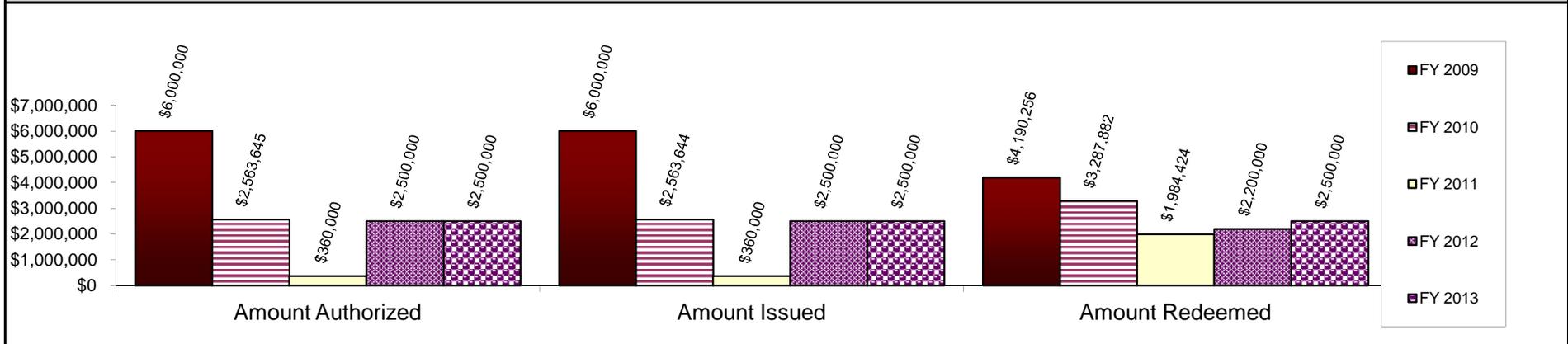
<b>Program Name:</b> New Generation Cooperative Incentive Tax Credit Program		
<b>Department:</b> Agriculture	<b>Contact Name &amp; No.:</b> Tony Stafford, 573/751-5624	<b>Date:</b> 9/1/11
<b>Program Category:</b> Agricultural	<b>Type:</b> Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
<b>Statutory Authority:</b> 348.432 RSMo	<b>Applicable Taxes:</b> Income (143 RSMo), Franchise (147 RSMo), and Financial Institution (148 RSMo)	
<b>Program Description and Eligibility Requirements:</b>		
<p>To induce private investment into "Eligible new generation processing entities" which will; result in the processing of Missouri agricultural commodities and agricultural products into value-added goods, provide substantial benefit to Missouri's agricultural producers, and result in the creation of jobs for Missourians. Eligible "Producer members" investing in an "Eligible new generation processing entity", which is either a "Development facility" or a "Renewable fuel production facility" may receive the tax credit.</p> <p>"Eligible new generation processing entity" is a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to Missouri laws and consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within Missouri a "Development facility" or a "Renewable fuel production facility" in which producer members; (a) hold a majority of the governance or voting rights of the entity and any governing committee; (b) control the hiring and firing of management; and (c) deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities.</p> <p>"Producer member" is a person, partnership, corporation, trust, or limited liability company whose main purpose is agricultural production that invests cash funds in an eligible new generation processing entity.</p> <p>"Development facility", a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product.</p> <p>"Renewable fuel production facility", a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery,</p>		
<b>Explanation of How Award is Computed:</b>		
<p style="text-align: center;">Entitlement <input checked="" type="checkbox"/> Discretionary _____</p> <p>The lesser of 50% of the eligible producer members' cash investment in an eligible new generation processing entity or \$15,000. However, the members investing in a "Large Capital Project" (capital costs greater than one million dollars) may not receive tax credits totaling more than \$1.5 million and members investing in an "Employee Qualified Capital Project" (capital costs greater than fifteen million dollars which employ at least sixty employees) may not receive tax credits totaling more than \$3.0 million.</p>		
<b>Program Cap:</b> Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ <u>6,000,000</u> None _____		
<b>Explanation of cap:</b> 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 30 of each year.		
<b>Explanation of Expiration of Authority:</b> The provisions of sections 348.432 shall expire December 31, 2016 pursuant to 348.436 RSMo.		
<b>Specific Provisions:</b> (if applicable)		
Carry forward <u>5</u> years Carry Back <u>3</u> years Refundable <u>No</u> Sellable/Assignable <u>Yes</u> Additional Federal Deductions Available <u>No</u>		
<b>Comments on Specific Provisions:</b>		

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	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012(current year)	FY 2013 (budget year)
Certificates Issued (#)	919	256	24	120	120
Projects (#)	7	4	1	2	2
Amount Authorized	\$6,000,000	\$2,563,645	\$360,000	\$2,500,000	\$2,500,000
Amount Issued	\$6,000,000	\$2,563,644	\$360,000	\$2,500,000	\$2,500,000
Amount Redeemed	\$4,190,256	\$3,287,882	\$1,984,424	\$2,200,000	\$2,500,000
EST. Amount Outstanding	N/A	N/A	\$7,373,030	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$10,190,000	N/A	N/A

### HISTORICAL AND PROJECTED INFORMATION



**Comments on Historical and Projected Information:**

### BENEFIT: COST ANALYSIS (includes only state revenue impacts)

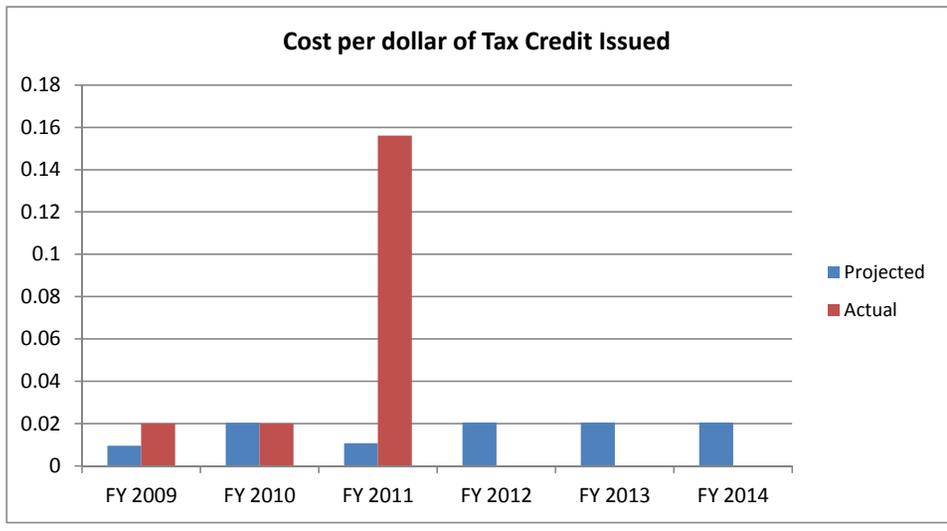
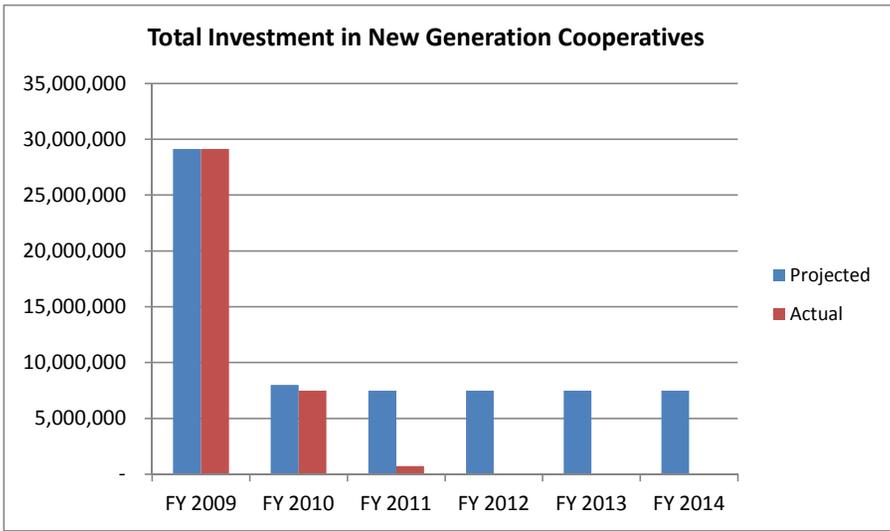
	FY 2011 ACTIVITY	Other Fiscal Period (FY00 - FY 11)	<p><b>Derivation of Benefits:</b> The University of Missouri - Columbia was commissioned to study the costs and benefits of this program in 2008. The ratios determined in their study were applied to the FY11 tax credits issued to determine the direct and indirect benefits.</p> <p><b>The direct fiscal costs are the tax credits redeemed.</b></p> <p><b>Indirect fiscal costs are accounted for in the program description portion of the budget.</b></p>
<b>BENEFITS</b>			
Direct Fiscal Benefits	\$ 432,000	\$ 46,270,459	
Indirect Fiscal Benefits	\$ 540,000	\$ 75,681,019	
<b>Total</b>	\$ 972,000	\$ 121,951,478	
<b>COSTS</b>			
Direct Fiscal Costs	\$ 1,984,424	\$ 35,605,991	
Indirect Fiscal Costs	\$ -	\$ -	
<b>Total</b>	\$ 1,984,424	\$ 35,605,991	
<b>BENEFIT: COST</b>	<b>0.49</b>	<b>3.43</b>	

**Other Benefits:**

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## PERFORMANCE MEASURE(S)



**Comments on Performance Measure:**