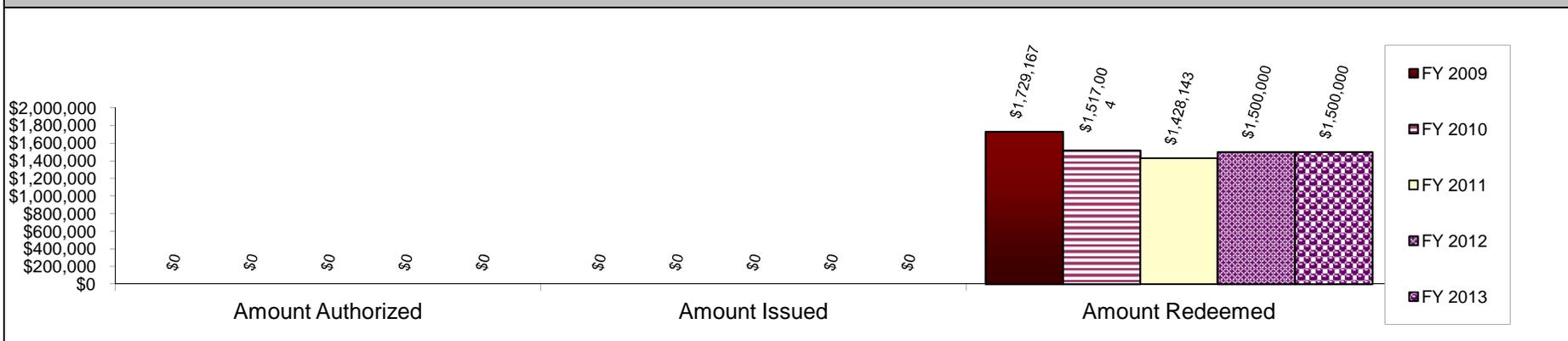


TAX CREDIT ANALYSIS

Program Name: Self-Employed Health Insurance Tax Credit		
Department: Revenue	Contact Name & No.: Joel Allison, 751-0191	Date: October 2011
Program Category: Financial and Insurance	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: Section 143.119, RSMo	Applicable Taxes: Chapter 143, excluding withholding tax	
Program Description and Eligibility Requirements: A self-employed taxpayer, as such term is sued in the federal Internal Revenue Code (IRC), who is ineligible for the federal income tax health insurance deduction under Section 162 of the federal IRC, shall be entitled to a credit against the tax due under Chapter 143, excluding withholding tax.		
Explanation of How Award is Computed: Entitlement _____ Discretionary _____ A self-employed taxpayer may claim a credit in an amount equal to the portion of the taxpayer's federal tax liability incurred due to the taxpayers inclusion of the federal income tax health insurance payment in their federal adjusted gross income.		
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None _____		
Explanation of cap:		
Explanation of Expiration of Authority:		
Specific Provisions: (if applicable) Carry forward _____ years Carry Back _____ years Refundable <input checked="" type="checkbox"/> Sellable/Assignable _____ Additional Federal Deductions Available _____		
Comments on Specific Provisions:		

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012(current year)	FY 2013 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$1,729,167	\$1,517,004	\$1,428,143	\$1,500,000	\$1,500,000
EST. Amount Outstanding	N/A	N/A	\$0	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Self-Employed Health Insurance Tax Credit

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTIVITY	Other Fiscal Period (indicated time period)	Derivation of Benefits:
BENEFITS			The Department of Revenue, with the assistance of the Missouri Economic Development, used the Regional Economic Model Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282 RSMo. REMI 8.0.5 Model Assumptions: \$1,428,143 reduction in personal income taxes in Fiscal Year 2011.
Direct Fiscal Benefits	0	0	
Indirect Fiscal Benefits	19621	19321	
Total	19621	19321	
COSTS			
Direct Fiscal Costs	1428143	1428143	
Indirect Fiscal Costs	0	0	
Total	1428143	1428143	
BENEFIT: COST	0.01	0.01	

Other Benefits:

In Fiscal Year 2011, every dollar of authorized program tax credits returns:

\$0.27 in new personal income totaling	\$0.38 million
\$0.56 in new value-added/GSP totaling	\$0.79 million
\$0.83 in new economic output totaling	\$1.18 million

Over ten years, every dollar of authorized program tax credits returns:

\$0.27 in new personal income totaling	\$0.38 million
\$0.56 in new value-added/GSP totaling	\$0.79 million
\$0.83 in new economic output totaling	\$1.18 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure: