TAX CREDIT ANALYSIS

Program Name: Family Farm Breeding Livestock Loan Program

Department: Agriculture | **Contact Name & No.:** Tony Stafford (573) 751-2129 | **Date:** 9/3/12

Program Category: Agricultural | **Type: Tax Credit** X **Other (specify)**____

Statutory Authority: 348.500, 348.505 RSMo Effective August 2006 | **Applicable Taxes:** Income (143 RSMo), Franchise (147 RSMo), and Financial Institution (148 RSMo)

Program Description and Eligibility Requirements:

This program provides Missouri Tax Credits to lenders in lieu of the first year interest being paid on breeding livestock loans made to "small farmers" who are Missouri residents and who have less than $250,000 in gross agricultural product sales per year. Maximum eligible loan cannot exceed 90% of the cost of purchasing breeding livestock. Each small farmer shall be eligible for only one family farm livestock loan per immediate household family & only one type of livestock. The maximum amount of loan for each type of livestock is: Beef or Dairy cattle $75,000; Sheep or Goats $30,000; Swine $35,000.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

A lender can request a one time tax credit for the first years interest waived on a loan to a "Small Missouri Farmer" that makes a purchase of breeding livestock. Each request shall include a true copy of the loan documents.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $__300,000_____ None _____

Explanation of cap:
Individual limits and fiscal year limits are set in 348.505.2 RSMo

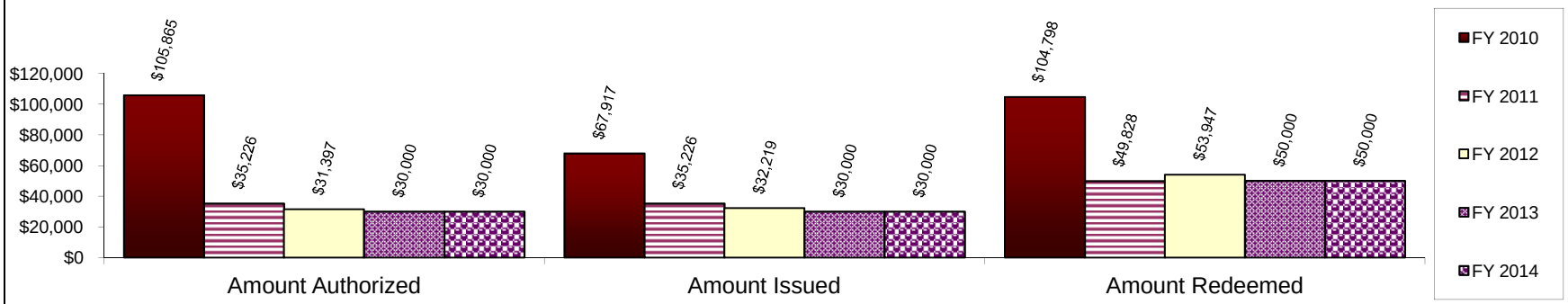
Explanation of Expiration of Authority

Specific Provisions: (if applicable)
Carry forward __3__ years Carry Back _0___ years Refundable _no____ Sellable/Assignable __yes___ Additional Federal Deductions Available _no___

Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013(current year)	FY 2014 (budget year)
Certificates Issued (#)	38	23	17	36	36
Projects (#)	38	23	17	36	36
Amount Authorized	$105,865	$35,226	$31,397	$30,000	$30,000
Amount Issued	$67,917	$35,226	$32,219	$30,000	$30,000
Amount Redeemed	$104,798	$49,828	$53,947	$50,000	$50,000
EST. Amount Outstanding	N/A	N/A	$36,282	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	$31,678	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



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Comments on Historical and Projected Information:

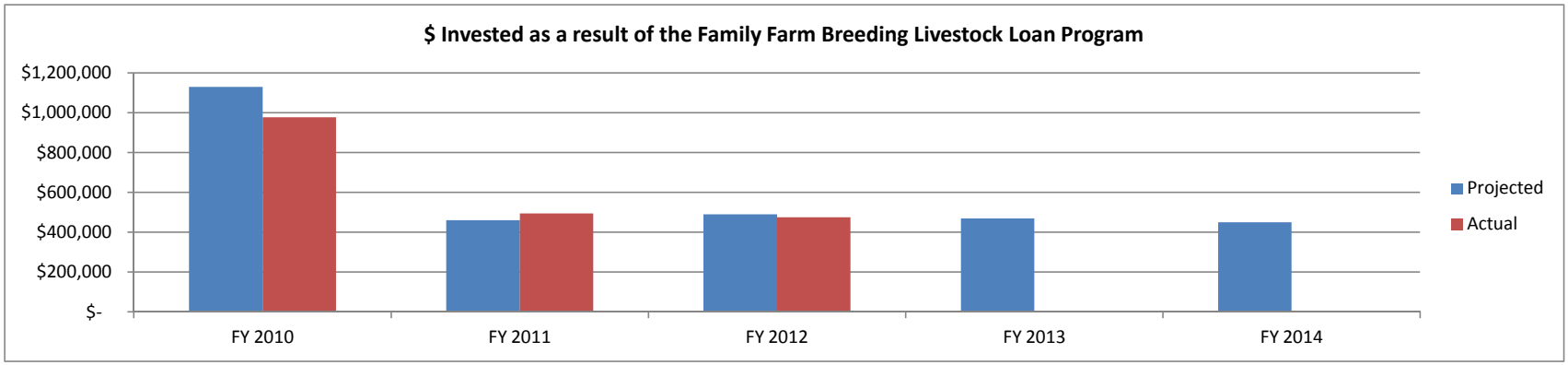
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTIVITY	Other Fiscal Period (FY08-FY12)
BENEFITS		
Direct Fiscal Benefits	$ 41,625	$ 467,997
Indirect Fiscal Benefits	$ 145,688	$ 1,055,335
Total	$ 187,313	$ 1,523,332
COSTS		
Direct Fiscal Costs	$ 53,947	$ 358,314
Indirect Fiscal Costs	$ -	$ -
Total	$ 53,947	$ 358,314
BENEFIT: COST	**3.47**	**4.25**

Derivation of Benefits: Commercial Ag Program estimates that a dairy cow has a positive economic impact of $13,737 and that beef cows have a positive economic impact of $.30/lbs beef produced.

Other Benefits:

PERFORMANCE MEASURE(S)



Comments on Performance Measure: