TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers

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

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

Statutory Authority: 135.700, RSMo | **Applicable Taxes:** Income tax

Program Description and Eligibility Requirements:

Any grape grower or wine producer within the state can claim an income tax credit for a percentage of the purchase price of all new equipment and materials used directly in growing grapes or producing wine within the state. Taxpayers may apply annually for up to five years.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit is equal to 25% of the purchase price of all new equipment and materials used directly in growing grapes or producing wine.

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

Explanation of cap:

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

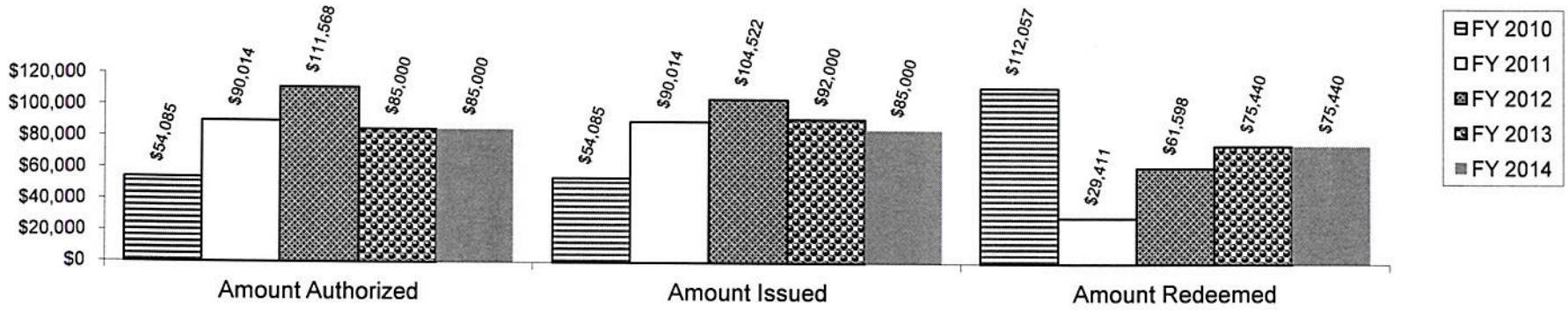
Comments on Specific Provisions: This credit has no special attributes and must be applied to tax liability for the year it was earned.

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	21	17	14	18	18
Projects (#)	21	17	15	17	18
Amount Authorized	$54,085	$90,014	$111,568	$85,000	$85,000
Amount Issued	$54,085	$90,014	$104,522	$92,000	$85,000
Amount Redeemed	$112,057	$29,411	$61,598	$75,440	$75,440
EST. Amount Outstanding	N/A	N/A	$119,177	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	$7,046	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers



Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$2,905	$5,018
Indirect Fiscal Benefits	$1,042	$1,800
Total	$3,947	$6,818
COSTS		
Direct Fiscal Costs	$55,784	$110,628
Indirect Fiscal Costs	$0	$0
Total	$55,784	$110,628
BENEFIT: COST	**0.07**	**0.06**

Derivation of Benefits

Investment: (a) $446,270.72 in Durable Equipment Demand in 2012.

Employment: (a) n/a

Other Assumptions: (a) Estimated annual Food Mfg industry sales of $35.7 K between years 2012-2016. Modeled not to increase direct employment within the industry.

Incentives/Credits: (a) $111,567.68 in authorized Wine and Grape credits, redeemed between 2012-2013.

Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

Other Benefits:

In FY2012, every dollar of authorized program tax credits returns

$1.09 in new personal income totaling	$0.06 million
$2.74 in new value-added/GSP totaling	$0.15 million
$4.38 in new economic output totaling	$0.24 million

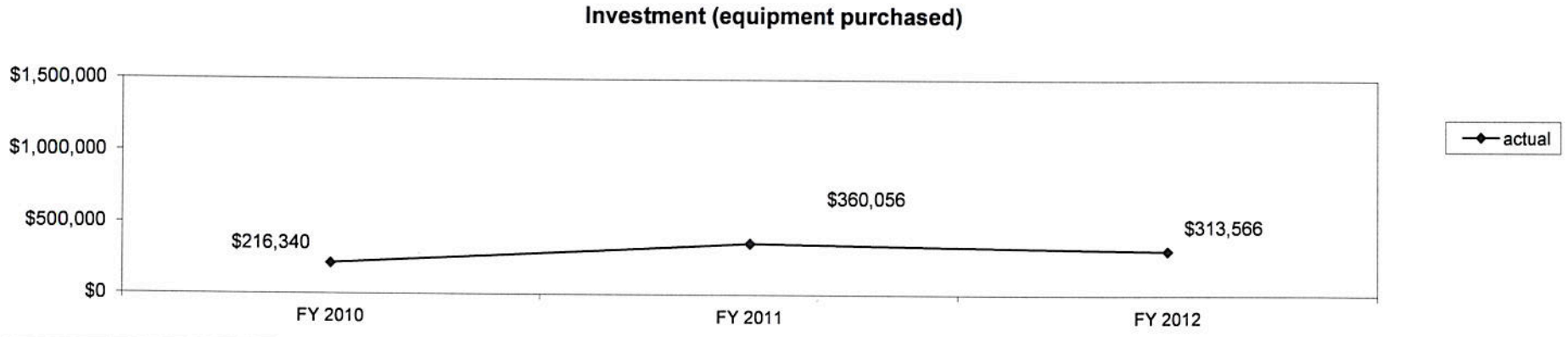
Over 5 years, every dollar of authorized program tax credits returns

$0.83 in new personal income totaling	$0.09 million
$2.48 in new value-added/GSP totaling	$0.27 million
$3.86 in new economic output totaling	$0.43 million

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers

PERFORMANCE MEASURE(S)



Comments on Performance Measure: