

TAX CREDIT ANALYSIS

Program Name: Wood Energy		
Department: Natural Resources	Contact Name & No.: Roger Korenberg (573) 522-1723	Date: October, 2012
Program Category: Environmental	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 135.300-135.311	Applicable Taxes: Tax credit on taxes otherwise due under Chapter 143 RSMo, except sections 143.191 to 143.261 (withholding of tax).	

Program Description and Eligibility Requirements:
 A Missouri wood energy producer (any person, firm or corporation that engages in the business of producing processed wood products from Missouri forest industry residue to be used as an energy source) is eligible for a tax credit on taxes otherwise due. Reenacted in 1996 by the 88th General Assembly, the credit applies to all tax periods beginning on or after January 1, 1997. The credit can only be used against the income tax otherwise due and is not available for use against withholding tax liabilities.

Explanation of How Award is Computed: Entitlement Discretionary _____
 Credit of \$5/ton for wood products from processed wood residue.
 Credit of \$5/ton for wood used in charcoal production. Wood usage is inferred at 4 tons of wood residue used per ton of wood char produced.

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

Explanation of Expiration of Authority: HB 2058 (2008) states that no new wood energy tax credits shall be authorized after June 30, 2013 (FY 2013).

Specific Provisions: (if applicable)
 Carry forward 4 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

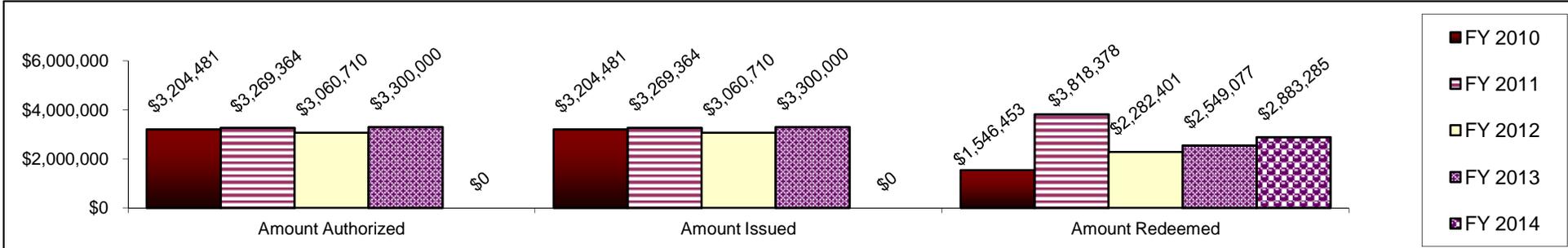
Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	16	17	9	13	0
Projects (#)	16	17	9	13	0
Amount Authorized	\$3,204,481	\$3,269,364	\$3,060,710	\$3,300,000	\$0
Amount Issued	\$3,204,481	\$3,269,364	\$3,060,710	\$3,300,000	\$0
Amount Redeemed	\$1,546,453	\$3,818,378	\$2,282,401	\$2,549,077	\$2,883,285
EST. Amount Outstanding	N/A	N/A	\$5,488,645	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A

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HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: (1) Credits issued are based on amount of credits processed and forwarded to the Department of Revenue (DOR) during a fiscal year. It is assumed that all credits authorized by the department are issued by DOR immediately upon receipt of our authorization. (2) Actual redeemed credit information was provided by DOR.

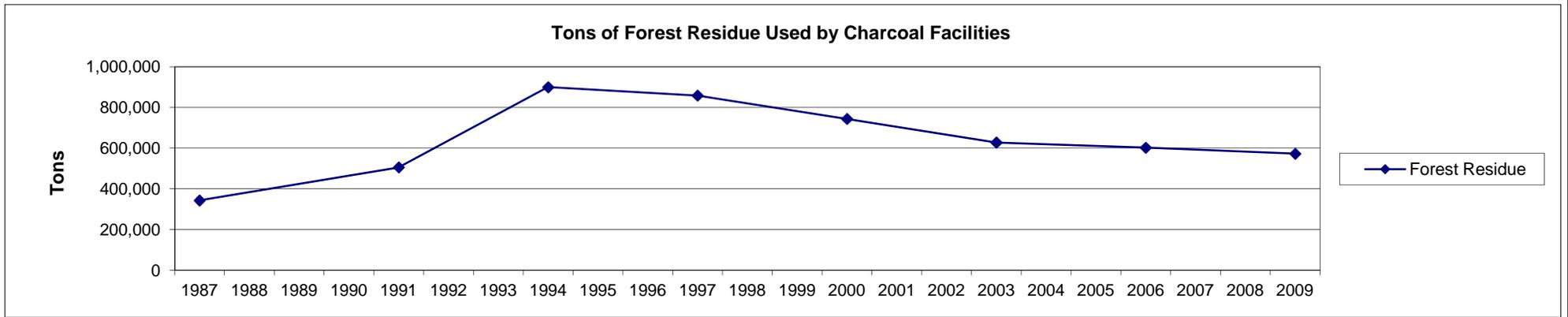
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTIVITY	Other Fiscal Period (indicated time period)	Derivation of Benefits:
BENEFITS			
Direct Fiscal Benefits	See Performance Measure		
Indirect Fiscal Benefits			
Total			
COSTS			
Direct Fiscal Costs			
Indirect Fiscal Costs			
Total			
BENEFIT: COST			
Other Benefits:			

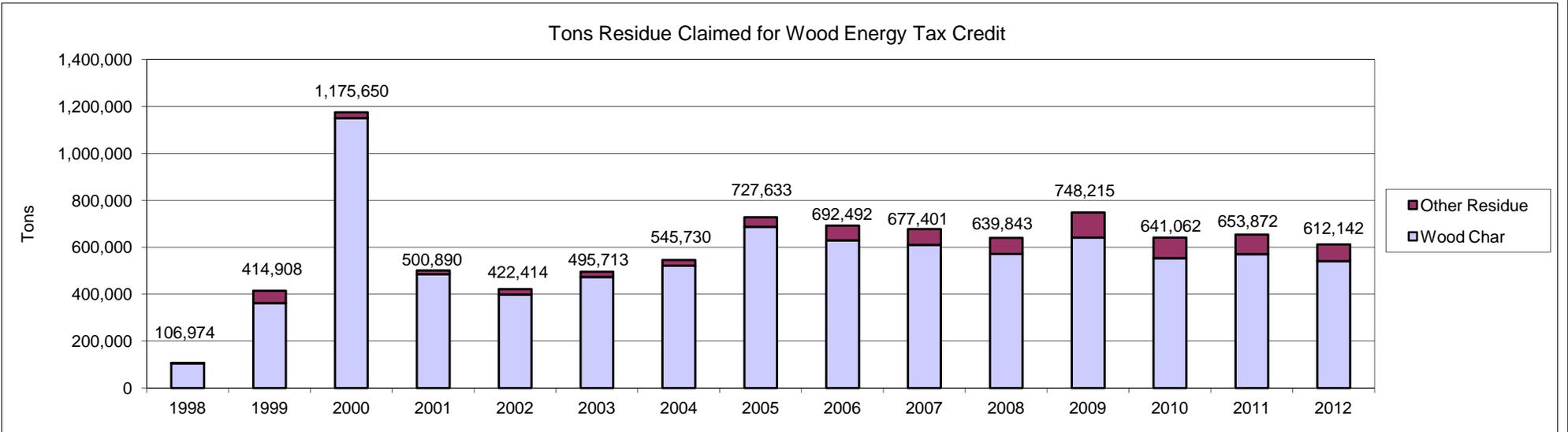
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PERFORMANCE MEASURE(S)



Data source: surveys of the Missouri Timber Industry conducted by the U.S Forest Service. The surveys are completed every three years. The most recent information available is for 2009.



Data source: DNR Division of Energy, and is based on the fiscal year that the claim was filed, not the year the product was sold.