

TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit (BFC)		
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713	Date: October 2012
Program Category: Business Recruitment	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 135.100 to 135.150, and 135.258	Applicable Taxes: Income tax, insurance premium tax, insurance company retaliatory tax	
Program Description and Eligibility Requirements: Program has sunset as of Jan. 1, 2005 except that headquarters that commence operations before Jan. 1, 2020 may be eligible for the program. Tax credits given to eligible applicants who establish new facilities or expand existing ones. At least two new jobs must be created or maintained and at least \$100,000 of new investment.		
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ The tax credit is equal to \$75 to \$150 per new job and per \$100,000 of new investment each year for 10 years.		
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/>		
Explanation of cap:		

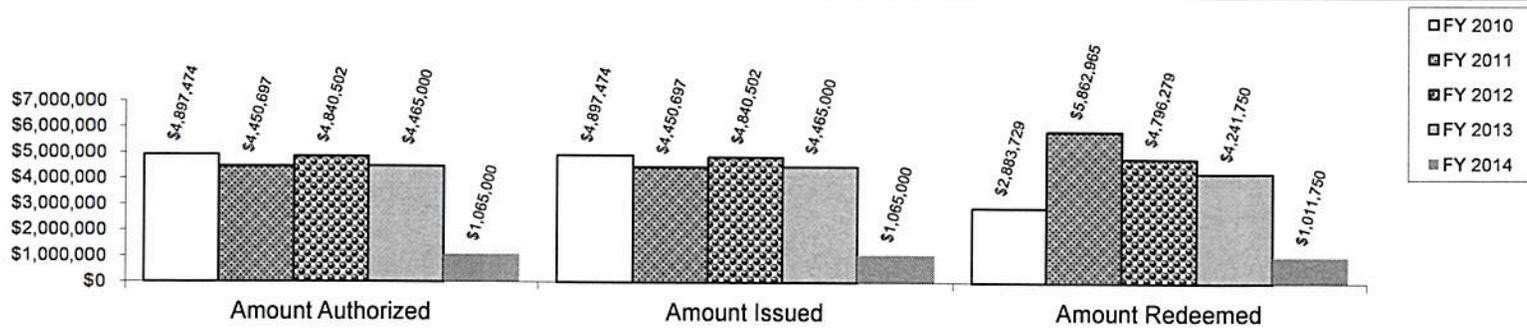
Explanation of Expiration of Authority: No revenue-producing enterprise shall receive the incentives set forth in sections 135.100 to 135.150 for facilities commencing operations on or after January 1, 2005. SB 1155 (2004). Headquarters may receive incentives for facilities commencing operations on or after Jan. 1, 2005 but not on or after Jan.1, 2020.

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

Comments on Specific Provisions: Carry forward, Refundable and Sellable/Assignable provisions are limited in application.

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	45	29	22	18	12
Projects (#)	45	29	22	18	12
Amount Authorized	\$4,897,474	\$4,450,697	\$4,840,502	\$4,465,000	\$1,065,000
Amount Issued	\$4,897,474	\$4,450,697	\$4,840,502	\$4,465,000	\$1,065,000
Amount Redeemed	\$2,883,729	\$5,862,965	\$4,796,279	\$4,241,750	\$1,011,750
EST. Amount Outstanding	N/A	N/A	\$2,238,920	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	\$0	\$0

HISTORICAL AND PROJECTED INFORMATION



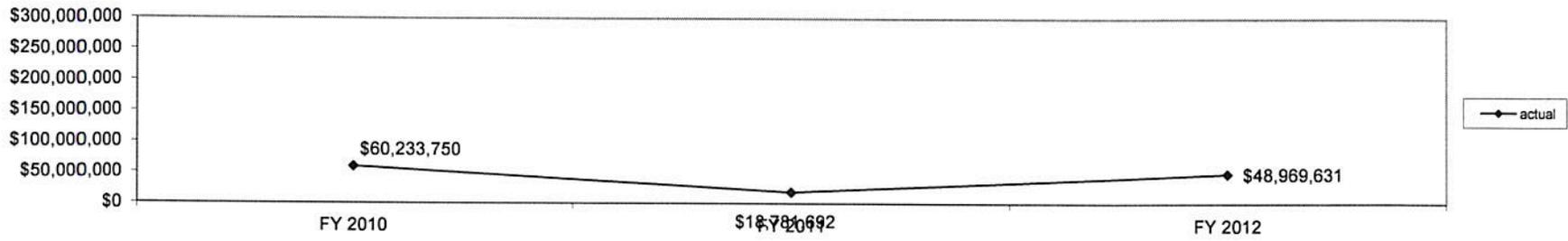
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Comments on Historical and Projected Information:											
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)											
	FY 2012 ACTUAL	Other Fiscal Period (10 years)	Derivation of Benefits: Investment: (a) \$76,916,625 in Durable Equipment Demand in 2012. Employment: (a) 70 jobs in Professional/Tech/Scientific Services at average wage rates in 2012-2021. Other Assumptions: (a) real wage growth starting in 2013. Incentives/Credits: (a) \$455,589 in authorized Business Facility Credits, redeemed between 2012-2021. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.								
BENEFITS											
Direct Fiscal Benefits	\$3,410,481	\$4,682,146									
Indirect Fiscal Benefits	\$1,289,076	\$1,769,733									
Total	\$4,699,557	\$6,451,879									
COSTS											
Direct Fiscal Costs	\$45,557	\$417,945									
Indirect Fiscal Costs	\$0	\$0									
Total	\$45,557	\$417,945									
BENEFIT: COST	103.16	15.44									
Other Benefits:											
In FY-2012, every dollar of authorized program tax credits returns		Over 10 years, every dollar of authorized program tax credits returns									
\$338.62 in new personal income totaling \$15.43 million		\$217.45 in new personal income totaling \$90.88 million									
\$646.43 in new value-added/GSP totaling \$29.45 million		\$272.80 in new value-added/GSP totaling \$114.01 million									
\$983.38 in new economic output totaling \$44.80 million		\$384.44 in new economic output totaling \$160.68									
PERFORMANCE MEASURE(S)											
Permanent New Jobs Created											
<table border="1" style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <caption>Permanent New Jobs Created Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Permanent New Jobs Created</th> </tr> </thead> <tbody> <tr> <td>FY 2010</td> <td>0</td> </tr> <tr> <td>FY 2011</td> <td>114</td> </tr> <tr> <td>FY 2012</td> <td>0</td> </tr> </tbody> </table>				Fiscal Year	Permanent New Jobs Created	FY 2010	0	FY 2011	114	FY 2012	0
Fiscal Year	Permanent New Jobs Created										
FY 2010	0										
FY 2011	114										
FY 2012	0										
Comments on Performance Measure: Benefits are based on the number of new jobs above the base. For the projects for which credits were issued, the jobs were not net new for this fiscal year but did have new jobs over the base.											

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New Investment



Comments on Performance Measure: