

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program		
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713	Date: October 2012
Program Category: Entrepreneurial	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 620.495, RSMo	Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
 A taxpayer who makes a contribution to an approved incubator sponsor or fund can claim a state tax credit for a percentage of such contribution.

Explanation of How Award is Computed: Entitlement _____ Discretionary
 The tax credit is equal to 50% of the contribution.

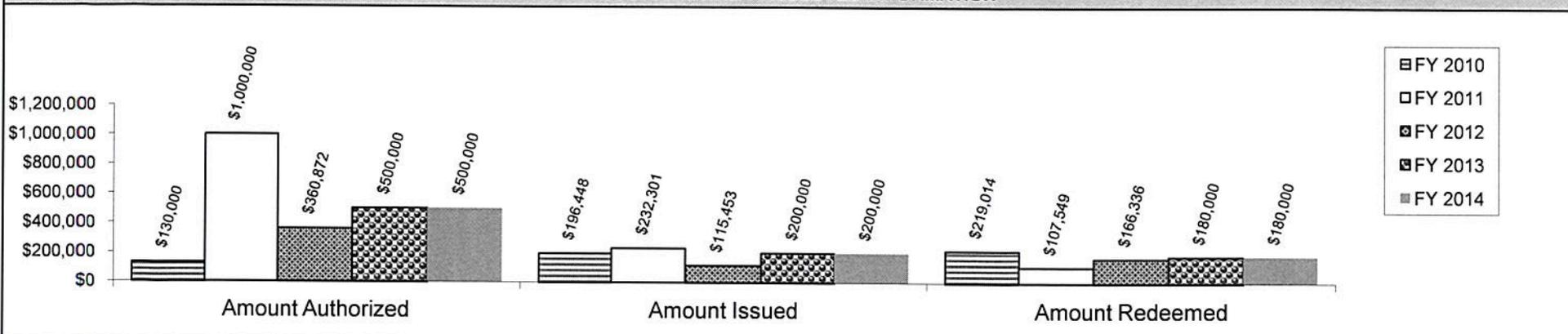
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 500,000 _____ None _____
Explanation of cap: The \$500,000 annual cap is allocated each calendar year to approved incubators requesting funds based on need, competition and the appropriate use of contributions.

Explanation of Expiration of Authority:
Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions: 75 cents minimum sale price

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	22	36	28	30	30
Projects (#)	1	15	5	7	7
Amount Authorized	\$130,000	\$1,000,000	\$360,872	\$500,000	\$500,000
Amount Issued	\$196,448	\$232,301	\$115,453	\$200,000	\$200,000
Amount Redeemed	\$219,014	\$107,549	\$166,336	\$180,000	\$180,000
EST. Amount Outstanding	N/A	N/A	\$257,876	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$798,118	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

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BENEFIT: COST ANALYSIS (includes only state revenue impacts)

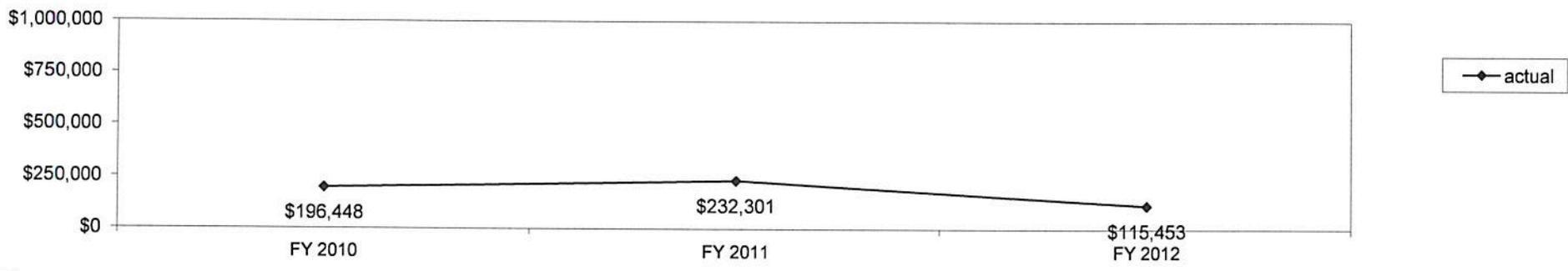
	FY 2012 ACTUAL	Other Fiscal Period (10 years)	
BENEFITS			Derivation of Benefits Investment: (a) \$721,744 in Durable Equipment Demand in 2012. Employment: (a) n/a Other Assumptions: (a) n/a Incentives/Credits: (a) \$360,872 in authorized Incubator credits, redeemed between 2012-2017. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
Direct Fiscal Benefits	\$27,325	\$27,452	
Indirect Fiscal Benefits	\$13,195	\$13,257	
Total	\$40,520	\$40,709	
COSTS			
Direct Fiscal Costs	\$60,145	\$344,525	
Indirect Fiscal Costs	\$0	\$0	
Total	\$60,145	\$344,525	
BENEFIT: COST	0.67	0.12	

Other Benefits:

In FY-2012, every dollar of authorized program tax credits returns			Over 10 Years, every dollar of authorized program tax credits returns		
\$1.52	in new personal income totaling	\$0.09 million	\$0.27	in new personal income totaling	\$0.09 million
\$3.55	in new value-added/GSP totaling	\$0.21 million	\$0.62	in new value-added/GSP totaling	\$0.21 million
\$5.07	in new economic output totaling	\$0.31 million	\$0.89	in new economic output totaling	\$0.31 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure: