

HS HCS HB 257 -- TAX CREDITS (Munzlinger)

This substitute allows tax credits for investment in eligible new generation cooperatives or eligible new generation processing entities and tax credits for contributions to the Agriculture and Small Business Development Authority, to be used by the recipient immediately upon receipt and to be taken against estimated quarterly taxes paid.

The substitute adds eligible new generation cooperative, eligible new generation processing entity, and contributors contributing to the Agriculture and Small Business Development Authority tax credits to the restriction that tax credits taken against insurance premiums will not reduce moneys transferred to the county foreign insurance fund.

The substitute requires that in any fiscal year in which the Ethanol Incentive Fund is not fully funded, any new generation cooperative incentive tax credit issued after the fiscal year will be increased by the larger of the increase in the Consumer Price Index or 3%.

"Employee-qualified capital project," is currently defined as an eligible new generation cooperative with a capital cost greater than \$15 million that will employ at least 100 employees. The substitute changes the number of employees to 60.

FISCAL NOTE: Loss to General Revenue Fund of Unknown in FY 2004, FY 2005, and FY 2006. Not expected to exceed \$100,000 annually.