

Multiple Agency Fiscal Note Summary

Bill Number: 5496 SB	Title: Economic dev strategic acct
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total \$	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	Fiscal note not available								
Department of Revenue	1.0	143,600	143,600	.5	52,400	52,400	.5	52,400	52,400
Total	1.0	\$143,600	\$143,600	0.5	\$52,400	\$52,400	0.5	\$52,400	\$52,400

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 15130

Department of Revenue Fiscal Note

Bill Number: 5496 SB	Title: Economic dev strategic acct	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax	(2,000,000)	(2,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total \$	(2,000,000)	(2,000,000)	(4,000,000)	(4,000,000)	(4,000,000)

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.6	0.5	1.1	0.5	0.5
Fund					
GF-STATE-State 001-1	117,400	26,200	143,600	52,400	52,400
Total \$	117,400	26,200	143,600	52,400	52,400

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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Agency Preparation: Ray Philen	Phone: 360-570-6078	Date: 01/29/2007
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 01/29/2007
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 01/30/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

A business and occupation tax credit is created for deposits in the economic development strategic reserve account created in RCW 43.330.250. The amount of credit claimed for a reporting period is not to exceed \$250 in any calendar year, including credits carried over from a previous calendar year. Any amount of tax credit otherwise allowable not claimed by the person in any calendar year may be carried over and claimed against the person's tax liability for the next succeeding calendar year.

The total amount of credits used in any calendar year is not to exceed \$2,000,000. Credits are not allowed before July 1, 2007, or for contributions made on or after July 1, 2017.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

It is assumed the maximum allowable amount of credits will be used each year.

REVENUE ESTIMATES

This legislation will result in a loss in general fund revenue of \$2 million in Fiscal Year 2008.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2008 -	\$ (2,000)
FY 2009 -	\$ (2,000)
FY 2010 -	\$ (2,000)
FY 2011 -	\$ (2,000)
FY 2012 -	\$ (2,000)
FY 2013 -	\$ (2,000)

Local Government, if applicable (cash basis, \$000): None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Due to the July 1, 2007, effective date of this legislation, the Department of Revenue (Department) will incur costs in Fiscal Year 2007 of approximately \$10,800 to design, test, document, and monitor changes to the reporting system. These costs are not reflected in this fiscal note.

To implement this legislation, the Department will incur costs of approximately \$117,400 for Fiscal Year 2008. These are for creating a new credit ID, programming, analyzing, testing changes, handling increased telephone calls, handling EOBs, and credit cap monitoring and documentation. Time and effort for these costs equate to 1.6 FTEs.

To implement this legislation, the Department will incur costs of \$26,200 in Fiscal Year 2009. These will be for handling increased telephone calls, EOBs, and credit cap monitoring and documentation. Time and effort for these costs equate to

0.5 FTE.

In the 2009-2011 and 2011-2013 Biennia, the Department will incur costs of approximately \$26,200 in each biennium to implement this legislation. These are for handling increased telephone calls, EOBs, and credit cap monitoring and documentation. Time and effort for these costs equate to 0.5 FTE for each fiscal year.

Without an appropriation to cover the expenditure impact, the Department may not be fully able to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.6	0.5	1.1	0.5	0.5
A-	77,300	18,300	95,600	36,600	36,600
B-	19,400	4,600	24,000	9,200	9,200
E-	10,500	3,300	13,800	6,600	6,600
J-	10,200		10,200		
Total \$	\$117,400	\$26,200	\$143,600	\$52,400	\$52,400

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
EXCISE TAX EX 2	36,624	0.5	0.5	0.5	0.5	0.5
IT SPEC 4	54,372	1.1		0.6		
Total FTE's		1.6	0.5	1.1	0.5	0.5

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.