

Multiple Agency Fiscal Note Summary

| | |
|-------------------------------|--|
| Bill Number: 1936 S HB | Title: Tax incentives for farmers |
|-------------------------------|--|

Estimated Cash Receipts

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|-----------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total |
| Department of Revenue | (800,000) | (800,000) | (800,000) | (4,100,000) | (4,100,000) | (4,100,000) | (4,500,000) | (4,500,000) | (4,500,000) |
| Total \$ | (800,000) | (800,000) | (800,000) | (4,100,000) | (4,100,000) | (4,100,000) | (4,500,000) | (4,500,000) | (4,500,000) |

| Agency Name | 2023-25 | | 2025-27 | | 2027-29 | |
|---------------------|---------------------------|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Local Gov. Courts | | | | | | |
| Loc School dist-SPI | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | |
| Local Gov. Total | | | | | | |

Estimated Operating Expenditures

| Agency Name | 2023-25 | | | | 2025-27 | | | | 2027-29 | | | |
|--|------------|----------------|----------------|----------------|------------|----------------|----------------|----------------|------------|----------------|----------------|----------------|
| | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total |
| Joint Legislative Audit and Review Committee | .0 | 0 | 0 | 7,200 | .0 | 0 | 0 | 4,800 | .0 | 0 | 0 | 4,800 |
| Department of Revenue | 1.3 | 428,000 | 428,000 | 428,000 | 1.9 | 329,600 | 329,600 | 329,600 | 1.4 | 247,200 | 247,200 | 247,200 |
| State Conservation Commission | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Total \$ | 1.3 | 428,000 | 428,000 | 435,200 | 1.9 | 329,600 | 329,600 | 334,400 | 1.4 | 247,200 | 247,200 | 252,000 |

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|---------------------|---------------------------|----------|-------|---------|----------|-------|---------|----------|-------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Local Gov. Total | | | | | | | | | |
| Local Gov. Courts | | | | | | | | | |
| Loc School dist-SPI | | | | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | | | | |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|--|------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Joint Legislative Audit and Review Committee | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| State Conservation Commission | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|---------------------|---------------------------|----------|-------|---------|----------|-------|---------|----------|-------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Local Gov. Courts | | | | | | | | | |
| Loc School dist-SPI | | | | | | | | | |
| Local Gov. Other | Fiscal note not available | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Breakout

This preliminary package is incomplete and may not reflect the total fiscal impact. Other agencies' fiscal notes will be distributed as soon as possible.

Prepared by: Amy Hatfield, OFM

Phone:
(360) 280-7584

Date Published:
Preliminary 2/ 9/2024

Individual State Agency Fiscal Note

| | | |
|-------------------------------|--|---|
| Bill Number: 1936 S HB | Title: Tax incentives for farmers | Agency: 014-Joint Legislative Audit and Review Committee |
|-------------------------------|--|---|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Account | | | | | |
| Performance Audits of Government Account-State 553-1 | 4,800 | 2,400 | 7,200 | 4,800 | 4,800 |
| Total \$ | 4,800 | 2,400 | 7,200 | 4,800 | 4,800 |

Estimated Capital Budget Impact:

NONE

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.

| | | |
|------------------------------------|-----------------------|------------------|
| Legislative Contact: Kristina King | Phone: 360-786-7190 | Date: 02/07/2024 |
| Agency Preparation: Dana Lynn | Phone: 360-786-5177 | Date: 02/08/2024 |
| Agency Approval: Eric Thomas | Phone: 360 786-5182 | Date: 02/08/2024 |
| OFM Review: Gaius Horton | Phone: (360) 819-3112 | Date: 02/09/2024 |

Part II: Narrative Explanation

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

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

This bill creates a new B&O tax credit for qualified farmers for 25% of expenditures they made in the prior year to buy new equipment, infrastructure, and supplies. Qualified farmers must be affiliated with conservation efforts as noted in the bill. The preference takes effect January 1, 2025, and expires January 1, 2035.

Section 2 provides a tax preference performance statement, noting the tax preference is categorized as one intended to induce certain behaviors by taxpayers as noted in RCW 82.32.808(2)(a). The Legislature's specific objective is to attract more farmers to participate in conservation programs in Washington.

If a review finds that farmer participation in conservation programs has increased after the effective date of the bill, then the Legislature intends to extend the expiration date.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

JLARC staff would contact and work with the Department of Revenue, the Department of Agriculture, and other appropriate agencies immediately after passage of the bill to ensure project contacts are established and any other necessary data for JLARC staff's future evaluation needs are identified and collected. JLARC will likely review this preference in 2032.

The expenditure detail reflects work conducted to prepare for the future review of the preference. Costs associated with the review are not included in this fiscal note. This fiscal note reflects only the costs associated with establishing data collection.

This tax preference review may require additional resources. The audit will be conducted and presented to JLARC consistent with the processes used for other tax preference reviews. Based on all tax preference legislation that is passed, JLARC may subsequently determine that it can absorb the costs for this proposed bill in its base budget, if the workload of other enacted tax preference legislation does not exceed current staffing. JLARC will assess all of the tax preference reviews mandated in the 2024 legislative session.

This audit will require an estimated 1 audit month.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2023-25 costs are calculated at approximately \$23,900 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|--|-------|---------|---------|---------|---------|---------|
| 553-1 | Performance Audits of Government Account | State | 4,800 | 2,400 | 7,200 | 4,800 | 4,800 |
| Total \$ | | | 4,800 | 2,400 | 7,200 | 4,800 | 4,800 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | | | | |
| A-Salaries and Wages | 3,100 | 1,600 | 4,700 | 3,200 | 3,200 |
| B-Employee Benefits | 1,000 | 500 | 1,500 | 1,000 | 1,000 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 600 | 300 | 900 | 600 | 600 |
| G-Travel | 100 | | 100 | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 4,800 | 2,400 | 7,200 | 4,800 | 4,800 |

III. C - Operating FTE 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 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------|---------|---------|---------|---------|---------|---------|
| Research Analyst | 131,064 | | | | | |
| Support staff | 110,856 | | | | | |
| Total FTEs | | | | | | 0.0 |

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

| | | |
|-------------------------------|--|--|
| Bill Number: 1936 S HB | Title: Tax incentives for farmers | Agency: 140-Department of Revenue |
|-------------------------------|--|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

| Account | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|-----------|-----------|-------------|-------------|
| GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax | | (800,000) | (800,000) | (4,100,000) | (4,500,000) |
| Total \$ | | (800,000) | (800,000) | (4,100,000) | (4,500,000) |

Estimated Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.2 | 2.4 | 1.3 | 1.9 | 1.4 |
| Account | | | | | |
| GF-STATE-State 001-1 | 25,100 | 402,900 | 428,000 | 329,600 | 247,200 |
| Total \$ | 25,100 | 402,900 | 428,000 | 329,600 | 247,200 |

Estimated Capital Budget Impact:

NONE

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.

| | | |
|------------------------------------|-----------------------|------------------|
| Legislative Contact: Kristina King | Phone: 60-786-7190 | Date: 02/07/2024 |
| Agency Preparation: Diana Tibbetts | Phone: 60-534-1520 | Date: 02/09/2024 |
| Agency Approval: Valerie Torres | Phone: 60-534-1521 | Date: 02/09/2024 |
| OFM Review: Amy Hatfield | Phone: (360) 280-7584 | Date: 02/09/2024 |

Request # 1936-2-1

Part II: Narrative Explanation

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

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

Note: This fiscal note reflects language in SHB 1936, 2024 Legislative Session.

COMPARISON OF SUBSTITUTE BILL WITH ORIGINAL BILL:

The substitute bill adds an expiration date, and the tax preference performance statement includes a Joint Legislative Audit and Review Committee review with the policy objective to provide a tax incentive for farmers to attract more farmers to participate in Washington conservation programs.

CURRENT LAW:

Farmers selling products at retail to consumers pay business and occupation (B&O) tax under the retailing classification. Farmers who manufacture products using agricultural products grown, raised, or produced pay B&O tax under the manufacturing classification on the product's value.

Farmer's wholesale sales of agricultural products produced on their farms are exempt from B&O tax.

PROPOSAL:

This bill provides a B&O tax credit for 25% of expenditures made in the previous year by a qualified farmer for the purchase of new equipment, infrastructure, seed, seedlings, spores, animal feed, and amendments beginning January 1, 2025

To qualify for a credit, a farmer must meet at least one of the following criteria:

- Receive grant funds originating directly from the Washington State Conservation Commission or indirectly receive grant funds through a conservation district or other public entity.
- Participate in a Washington State Conservation Commission or Conservation District Conservation Program.

The credit claimed may not exceed the tax otherwise due and refunds may not be granted in place of credits.

Any unused credit not used in the current calendar year may be carried over and claimed in the two succeeding calendar years but may not be carried over for any calendar year thereafter.

The bill expires on January 1, 2035, and the tax preference performance statement includes a Joint Legislative Audit and Review Committee review with the policy objective to provide a tax incentive for farmers to attract more farmers to participate in Washington conservation programs.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- 500-1000 landowners, mostly farmers and ranchers, participate in Washington State Conservation Commission grant programs.
- Washington farmers paid \$20.5 million in B&O tax in fiscal year 2023.
- Annual growth mirrors the average growth of feed and seed purchases reported in Farm Production Expenditure Summaries in the last six years.

Request # 1936-2-1

- The B&O tax credit begins January 1, 2025, and impacts five months of collections in fiscal year 2025.

DATA SOURCES:

- Department of Revenue, Excise tax data
- Washington State Conservation Commission, Grant data
- United States Department of Agriculture, 2017 census of agriculture and farm production expenditure summary data

REVENUE ESTIMATES:

This bill decreases state revenues by an estimated \$0.8 million in the five months of impacted collections in fiscal year 2025 and by \$2.0 million in fiscal year 2026, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

| | |
|-----------|------------|
| FY 2024 - | \$ 0 |
| FY 2025 - | (\$ 800) |
| FY 2026 - | (\$ 2,000) |
| FY 2027 - | (\$ 2,100) |
| FY 2028 - | (\$ 2,200) |
| FY 2029 - | (\$ 2,300) |

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

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- This estimate affects 2,800 taxpayers.
- This legislation passes effective June 4, 2024.

FIRST YEAR COSTS:

The department will incur total costs of \$25,100 in fiscal year 2024. These costs include:

Labor Costs – Time and effort equate to 0.2 FTE.

- Create a Special Notice and identify publications and information the department may need to create or update on the department’s website by the effective date of the bill.
- Update web pages, publications, and forms for the reporting change.

SECOND YEAR COSTS:

The department will incur total costs of \$402,900 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 2.43 FTEs.

- Resolve returns in error, out of balance, and amended returns; prepare refunds and assessments; and respond to secure messages, correspondence, and telephone questions. Conduct account examinations; and assist taxpayers with reporting.
- Attend implementation meetings, computer system testing, monitoring, and maintenance.
- Set up, program, and test computer system changes.
- Perform field audits.
- Answer additional phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants/CPAs.

- Amend one rule.

Object Costs - \$140,160.

- Contract computer system programming.
- Phone agent seat license.
- Postage.
- Printing.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$329,600 and include similar activities described in the second-year costs. Time and effort equate to 1.9 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------------|-----------------|------------------|------------------|------------------|------------------|
| FTE Staff Years | 0.2 | 2.4 | 1.3 | 1.9 | 1.4 |
| A-Salaries and Wages | 15,600 | 155,600 | 171,200 | 205,000 | 155,000 |
| B-Employee Benefits | 5,100 | 51,400 | 56,500 | 67,600 | 51,000 |
| C-Professional Service Contracts | | 137,900 | 137,900 | | |
| E-Goods and Other Services | 3,100 | 40,100 | 43,200 | 42,600 | 31,000 |
| G-Travel | | 700 | 700 | 1,400 | 1,400 |
| J-Capital Outlays | 1,300 | 17,200 | 18,500 | 13,000 | 8,800 |
| Total \$ | \$25,100 | \$402,900 | \$428,000 | \$329,600 | \$247,200 |

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

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------|---------|------------|------------|------------|------------|------------|
| EMS BAND 4 | 131,684 | | 0.0 | 0.0 | | |
| EMS BAND 5 | 153,836 | | 0.0 | 0.0 | | |
| EXCISE TAX EX 2 | 58,104 | | 0.2 | 0.1 | 0.3 | 0.3 |
| EXCISE TAX EX 3 | 64,092 | | 0.3 | 0.2 | 0.4 | 0.3 |
| IT B A-JOURNEY | 91,968 | | 0.5 | 0.3 | | |
| IT SYS ADM-JOURNEY | 96,552 | | 0.1 | 0.1 | | |
| MGMT ANALYST4 | 76,188 | | 0.0 | 0.0 | | |
| REVENUE AUDITOR 2 | 64,092 | | 0.2 | 0.1 | 0.2 | 0.2 |
| TAX INFO SPEC 1 | 46,596 | | 1.0 | 0.5 | 1.0 | 0.6 |
| TAX POLICY SP 2 | 78,120 | 0.1 | 0.0 | 0.1 | | |
| TAX POLICY SP 3 | 88,416 | 0.1 | 0.1 | 0.1 | | |
| TAX POLICY SP 4 | 95,184 | | 0.0 | 0.0 | | |
| WMS BAND 2 | 98,456 | 0.0 | | 0.0 | | |
| WMS BAND 3 | 111,992 | | 0.0 | 0.0 | | |
| Total FTEs | | 0.2 | 2.4 | 1.4 | 1.9 | 1.4 |

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the standard process to amend WAC 458-20-210, titled: "Sales of tangible personal property for farming." Persons affected by this rulemaking would include qualified farmers receiving the credit on their purchase of new equipment, infrastructure, seed, seedlings, spores, animal feed, and amendments.

Individual State Agency Fiscal Note

| | | |
|-------------------------------|--|--|
| Bill Number: 1936 S HB | Title: Tax incentives for farmers | Agency: 471-State Conservation Commission |
|-------------------------------|--|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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.

| | | |
|------------------------------------|-----------------------|------------------|
| Legislative Contact: Kristina King | Phone: 360-786-7190 | Date: 02/07/2024 |
| Agency Preparation: Karla Heinitz | Phone: 360-878-4666 | Date: 02/09/2024 |
| Agency Approval: Sarah Groth | Phone: 360-790-3501 | Date: 02/09/2024 |
| OFM Review: Matthew Hunter | Phone: (360) 529-7078 | Date: 02/09/2024 |

Part II: Narrative Explanation

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

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

SHB 1936 creates a tax credit of 25% of expenditures made in the previous year by a qualified farmer to purchase new equipment, infrastructure, seed, seedlings, spores, animal feed, and amendments. To qualify, a farmer must receive grant funds directly from the State Conservation Commission or indirectly through a conservation district or other Washington public entity. Or is a participant in a State Conservation Commission or conservation district program. There is an expiration date of January 1, 2035.

No fiscal impact to the State Conservation Commission. The Conservation Commission will continue working with farmers and conservation districts on grants and cost-share opportunities. It would be the farmer's responsibility to keep track of the necessary paperwork for their taxes. The Department of Revenue would be tasked with working with the eligible farmer on the tax credit.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.