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FISCAL IMPACT REPORT

SPONSOR Miera DATE TYPED 02/10/05 HB HJM47

SHORT TITLE Historic Building & Contributions Tax Credit SB _____

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Joint Memorial 47 requests that the Taxation and Revenue Department and the Historic Preservation Division of the Cultural Affairs Department study the possibility of expanding eligibility for the state income and corporate income tax credit for historic properties to persons making donations to rehabilitate historic properties to not-for-profit organizations or to state and local governments that own eligible properties. The study would examine feasibility, legal status, practical application and fiscal impact of expanding the tax credit. The two departments would be required to report to the appropriate interim committee of the legislature the findings and recommendations no later than November 2005.

FISCAL IMPLICATIONS

There is significant direct fiscal impact.

ADMINISTRATIVE IMPLICATIONS

TRD expects that the bill will require 10 FTE and at a cost of approximately \$15,000 in materials, equipment and staff time.

OTHER SUBSTANTIVE ISSUES

TRD notes that personal income tax credits provided for cultural property preservation totaled approximately \$313,000 for tax year 2003. Fewer than 100 personal income tax returns out of roughly 850,000 filed contain claims for the credits. They also note that the proposed memorial would be most effective if it provided as much guidance as possible as to the specific issues that sponsors would like addressed in the study.

OPJ/lg