

HOUSE BILL NO. 70

Introduced: 1/3/83

Referred to House Select Committee on Economic Development:  
01/06/83

Hearing: 1/26/83  
Died in Committee

FIRST READING

MISSING

STATE OF MONTANA

REQUEST NO. 045-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 70 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 70 provides a credit against individual or corporate income tax liability for capital expenditures for commercial systems utilizing recognized nonfossil forms of energy generation. Provides for limitation of and carryover for the credit; and provides an immediate effective date.

FISCAL IMPACT:

No estimate is possible at this time. The fiscal impact will depend on the dollar value of future investment and the entities making the investments.

The department feels the proposal could result in a significant decline in revenues initially since the incentives created by the bill are strongest for limited partnerships of high tax liability Montanans. For example \$396M of investments have been proposed for wind generating facilities in Park County alone. At this level of investment, \$138.6M of credits would be available to offset state tax liabilities. This level of investment may not actually occur, however, but it does illustrate the potential impact. California officials will be consulted in an attempt to provide a realistic estimate.

Assuming additional investments are not made in a given facility after the credits are exhausted and taxable income is produced, revenues would increase in the long run relative to levels without the investment.

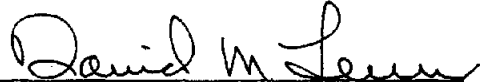
EFFECT ON COUNTY OR OTHER LOCAL REVENUE:

The proposal, by influencing development, could add to the property tax base of the counties where the facilities are located. No estimate is possible, however.

TECHNICAL NOTE:

It is not clear that the bill limits the credit to investments in new facilities. With the existing wording, investments by new parties in existing facilities may qualify.

FISCAL NOTE 2:K/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83