

FISCAL NOTE

SB 3243

January 30, 2008

SUMMARY OF BILL: Makes a technical correction to a code reference. Adds structurally modified buildings to the definition of “facility” as it applies to sales and use tax credits for taxpayers establishing qualified headquarter facilities in Tennessee.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The fiscal impact of this bill is dependent upon multiple unknown factors such as whether any current or future taxpayer(s) would become eligible for sales and use tax credits, currently authorized for establishing qualified headquarter facilities in Tennessee, as a direct result of the inclusion of the proposed language into the definition of facility. If there are any current taxpayers that would become eligible for such tax credits as a result of establishing a structurally modified building, then there would be a decrease of state revenue of an unknown amount which would be dependent upon the extent of any sale of qualified tangible personal property. If there are any future taxpayers, who are not taxpayers currently, that would qualify for such tax credits in the future as a result of establishing a structurally modified building, then there would be foregone state revenue of an unknown amount dependent upon the extent of any sale of qualified tangible personal property.

Assumptions:

- According to the Department of Revenue, the addition of the proposed language to the definition of facility, will not impact state or local government revenue or expenditures.
- Pursuant to Tenn. Code Ann. § 67-6-224(a), a taxpayer who establishes a qualified headquarters facility in this state shall be eligible for a credit of all state sales or use taxes paid to the state of Tennessee, except tax at the rate of one-half percent (0.5%), on the sales or use of qualified tangible personal property.

- The fiscal impact of this bill is a function of multiple unknown factors such as the extent of any sales or use of qualified tangible personal property in the future. As a result, a specific estimate cannot be quantified.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc