

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 137 – SB 525

February 16, 2009

SUMMARY OF BILL: Increases the franchise and excise tax credit, currently authorized to financial institutions, from 10 percent to 12 percent of an entity's contribution to the Tennessee Rural Opportunity Fund (TROF).

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$200,000

Assumptions:

- According to the Department of Revenue, Southeast Community Capital, a not-for-profit community development financial institution that currently operates the TROF, is actively seeking over \$10,000,000 in capital investments.
- One hundred percent of such investments are contributions made by eligible financial institutions.
- The total amount of tax credits authorized under current law is estimated to be \$1,000,000 per year ($\$10,000,000 \times 10\% = \$1,000,000$).
- The total amount of tax credits authorized under this bill is estimated to be \$1,200,000 per year ($\$10,000,000 \times 12\% = \$1,200,000$).
- The decrease of state revenue is estimated to be \$200,000 per year ($\$1,200,000 - \$1,000,000 = \$200,000$).

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".

James W. White, Executive Director

/rnc