

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2038 - SB 2112

March 11, 2009

SUMMARY OF BILL: Increases from two to three years the length of time the Commissioner of Economic and Community Development (ECD) may extend the initial three-year investment period related to a business entity being required to make certain capital investments by a specific time in order to qualify for certain franchise and excise tax credits.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$100,000

Assumptions:

- The fiscal impact of this bill is dependent upon several unknown factors such as the number of qualified business entities that will require an extension of time for meeting capital investment criteria, the extent of capital investment that will be made by any such qualified business entity, and the extent of franchise and excise tax liabilities for these qualified business entities.
- Given the number of unknown factors, determining a precise estimate for any resulting decrease to state revenue is difficult. Based on information provided by the Department of Revenue, any such decrease to state revenue is reasonably estimated to exceed \$100,000 per year.
- According to ECD, this bill will have no direct impact on the Department.

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 cursive script, reading "James W. White".

James W. White, Executive Director

/rnc