

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 29, 1996

SUBJECT: **SB 2167 - HB 2345**

This bill, if enacted, excludes, for franchise tax purposes, the indebtedness owed to or guaranteed by a closely affiliated foreign entity operating in the United States for the purpose of facilitating the financing of United States operations of the affiliated group. A *foreign entity* is defined as a corporation which has less than 20% of its average tangible property and average payroll assigned to locations within the United States.

The fiscal impact from enactment of this bill is estimated to be a decrease in first year state revenues from the franchise tax. Such decrease cannot be determined but is estimated to exceed \$100,000.

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



James A. Davenport, Executive Director

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