

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7853
BILL NUMBER: HB 2127

DATE PREPARED: Jan 10, 2001
BILL AMENDED:

SUBJECT: Tax credit for raw materials and parts.

FISCAL ANALYST: Bob Sigalow
PHONE NUMBER: 232-9859

FUNDS AFFECTED:	GENERAL	IMPACT: Pending
	DEDICATED	
	FEDERAL	

Summary of Legislation: Provides a credit beginning in 2002 against a taxpayer's state tax liability for property taxes paid on raw materials and parts that are to be incorporated into completed goods that will be shipped out of state. Provides that the credit is initially equal to 10% of the property taxes paid, and that the credit increases over ten years until the credit may be claimed for 100% of property taxes paid in 2011 and thereafter. Provides that if the credit exceeds a taxpayer's liability, the taxpayer may carry over the excess to subsequent taxable years. Provides that a taxpayer that receives an enterprise zone inventory credit may elect to apply the raw materials tax credit against either the taxpayer's state tax liability or the taxpayer's property tax liability.

Effective Date: January 1, 2002.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: