

The Senate Committee Amendment to SB 969 changes the introduced version by imposing a \$2.5 million annual cap of credits that may be claimed for individual income tax filers. The measure further lowers the maximum credits allowed to corporate income tax payers to \$2.5 million annually (previous cap was \$10 million).

The \$2.5 million of individual income tax credits claimed must be reduced by an estimate of the contribution amounts deducted as a charitable contribution by claimants. Assuming an effective tax rate of 3.1% would result in an estimated \$77,500 in tax savings. The net effect for individual filers is a projected revenue loss of \$2,422,500 million.

The corporate tax credit does not have a similar requirement, so no adjustment is required.

Revenue Impact:

The estimated impact of this proposal is \$4.9 million for tax year 2012, which would occur in FY 13.