

**BILL SUMMARY**  
1<sup>st</sup> Session of the 55<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>sb 694</b>
<b>Version:</b>	<b>PCS1</b>
<b>Request Number:</b>	<b>7265</b>
<b>Author:</b>	<b>Rep. Wright</b>
<b>Date:</b>	<b>4/7/2015</b>
<b>Impact:</b>	<b>Previous Tax Commission Analysis: Unknown Change to Reimbursement Beginning in FY-17</b>

**Research Analysis**

Please see previous summary of this measure.

Prepared By: Marcia Goff

**Fiscal Analysis**

From the Tax Commission:

This measure proposes amendment to Section 2902 of Title 68 to provide that the income and expense approach must be utilized to estimate the fair cash value of real and personal property exempted pursuant to the five year manufacturing ad valorem exemption.

Presently, the valuation of qualifying assets is based on original cost of the asset less normal depreciation (RCNLD). Since the proposal is not effective until January 1, 2016, the 2017 reimbursement year will be the first one impacted by this measure. Any fiscal impact to the amount reimbursed in FY 17 attributable to the 5 year exemption resulting from the change to the income and expense approach to valuation is unknown.

Prepared By: Mark Tygret

**Other Considerations**

No anticipated administrative costs or savings resulting from the change to an income