

STATEMENT OF PURPOSE

RS21717C1

Agriculture is Idaho's largest product. Much of this product is currently being shipped outside of Idaho at a great cost for processing. The Value-Added Agriculture Bill will provide incentive for Idaho farmers and ranchers to provide additional processing facilities within the State which will increase both jobs and the amount of commodities utilized in Idaho. This bill will provide a tax credit up to 30% of the investment to build a processing plant or value added process for Idaho agriculture commodities with a cap of \$500,000.00. This credit may be utilized by claiming one half of the tax liability to the State of Idaho until the cap is realized for a period of up to 14 years. Legislation has a sunset of 2018; however, the sunset does not apply to claiming tax credit.

FISCAL NOTE

Using traditional methods, revenue will be negative as there is a tax credit involved. However, if all economic benefits would be included such as new jobs, possibility of new facilities being built, additional Idaho purchases, jobs created in the communities, etc., revenue could be considered as a net positive.

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