

STATEMENT OF PURPOSE

RS27241 / H0510

This year, we are proposing legislation to change the sunset date of the Idaho Small Employer Incentive Act, commonly known as Business Advantage, from 2021 through 2030. The statement of purpose for this proposal:

- Extend the sunset through calendar year 2030.
- Replace the reference to "taxpayer and unitary business" with "business entity and definition of business" (per the Idaho Tax Commission's recommendation which is consistent with more recent statewide definitions).
- Add that a company filing form 89SE with the Idaho Tax Commission must notify Idaho Commerce of its tax filing for future tracking purposes.

FISCAL NOTE

Based on historical use, the Division of Financial Management and the Idaho Tax Commission estimate that by extending the Idaho Small Employer Incentive Act through 2030, the General Fund will potentially lose \$390,000 annually, but this assumes that the small businesses will invest in Idaho even without the benefit. The breakout of the annual tax incentive is estimated as follows:

Small Employer Investment Tax Credit (Form 83)	\$100,000
Small Employer Real Property Improvement Credit (Form 84)	\$150,000
Small Employer New Jobs Credit (Form 85)	\$ 40,000
Small Employer Sales Tax Rebate (Form TCR)	\$100,000
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Potential General Fund Impact Per Annum:	\$390,000

In addition, a full or partial property tax incentive may be granted by the county commissioners in the county where the project is located.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).