

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program

Department: Economic Development

Contact Name & No.: Brenda Horstman 751-3713

Date: October 2012

Program Category: Entrepreneurial

Type: Tax Credit Other (specify) _____

Statutory Authority: 620.495, RSMo

Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax

Program Description and Eligibility Requirements:

A taxpayer who makes a contribution to an approved incubator sponsor or fund can claim a state tax credit for a percentage of such contribution.

Explanation of How Award is Computed:

The tax credit is equal to 50% of the contribution.

Entitlement _____ Discretionary

Program Cap:

Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 500,000 _____ None _____

Explanation of cap: The \$500,000 annual cap is allocated each calendar year to approved incubators requesting funds based on need, competition and the appropriate use of contributions.

Explanation of Expiration of Authority:

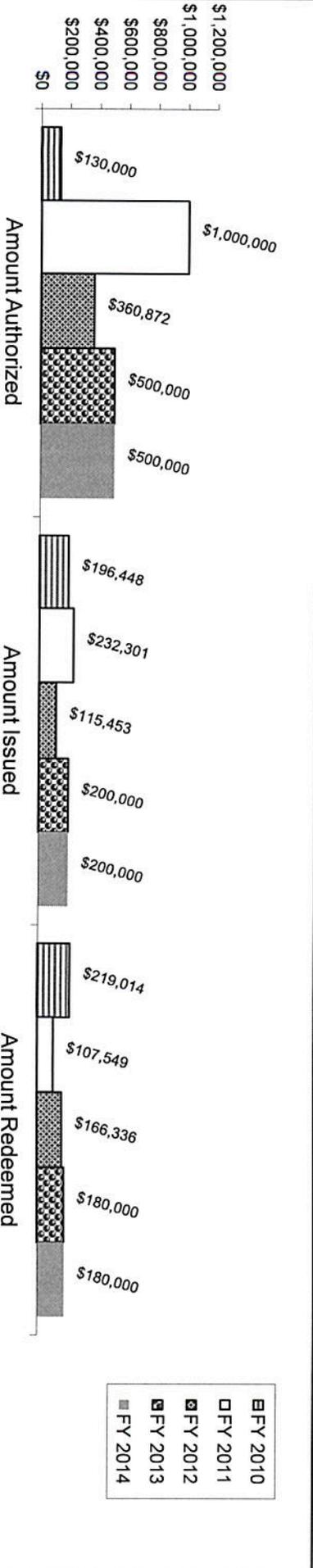
Specific Provisions: (if applicable)

Carry forward 5 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions: 75 cents minimum sale price

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	22	36	28	30	30
Projects (#)	1	15	5	7	7
Amount Authorized	\$130,000	\$1,000,000	\$360,872	\$500,000	\$500,000
Amount Issued	\$196,448	\$232,301	\$115,453	\$200,000	\$200,000
Amount Redeemed	\$219,014	\$107,549	\$166,336	\$180,000	\$180,000
EST. Amount Outstanding	N/A	N/A	\$257,876	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$798,118	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

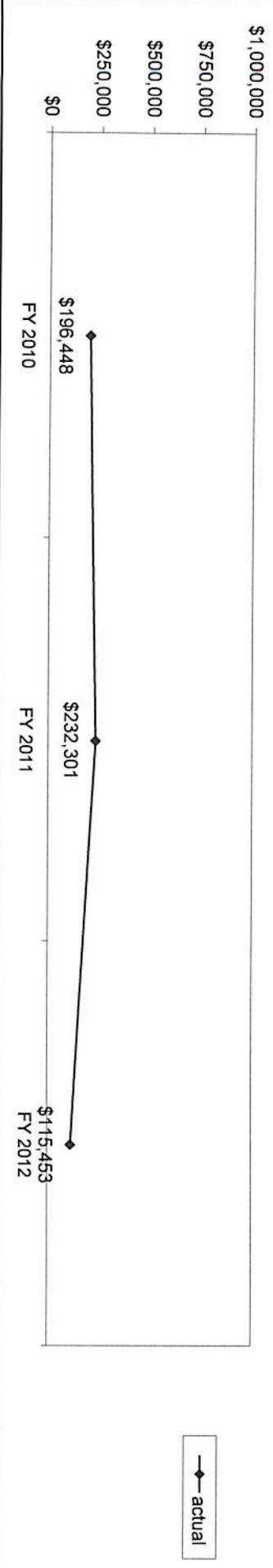
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BENEFIT: COST ANALYSIS (includes only state revenue impacts)	
	FY 2012 ACTUAL
BENEFITS	
Direct Fiscal Benefits	\$27,325
Indirect Fiscal Benefits	\$13,195
Total	\$40,520
COSTS	
Direct Fiscal Costs	\$60,145
Indirect Fiscal Costs	\$0
Total	\$60,145
BENEFIT: COST	0.67

Other Benefits:
In FY-2012, every dollar of authorized program tax credits returns
 \$1.52 in new personal income totaling \$0.09 million
 \$3.55 in new value-added/GSP totaling \$0.21 million
 \$5.07 in new economic output totaling \$0.31 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure: