

investments to low-income and distressed areas, based on their state's program.

Ms. Baumgartner:

The bill is designed to enhance the federal program allocations in Nevada. Therefore, no infrastructure will need to be created. The CDEs are qualified through a rigorous blind, triple-blind scoring application process through the Treasury. The federal agency does all the work. The GOED receives the application and ensures it is complete. The federal guidelines and regulations guide the remaining process. It is a lean program for Nevada. We anticipate a considerable infusion of State General Funds and local funding. The credit is not applicable until the second year of the tax credit allowance date, making this a revenue-positive measure from the onset of the program. The budget impact is spread over the 7 years of the program. Senator Roberson captured the technical aspects.

Chair Smith:

This Committee is primarily concerned with the fiscal note attached to S.B. 357. The policy committee vetted the policy.

Sumiko Maser (Deputy Director, Department of Taxation):

The Department originally submitted a fiscal note for S.B. 357 at a cost of \$280,000 over fiscal year (FY) 2013-2014 and FY 2014-2015 and \$109,000 for the future biennia. The fiscal note was derived from an assumption that numerous businesses would request the credit. Upon clarification, we realized there are fewer businesses than were anticipated. Therefore, the costs would be manageable and the Department could absorb much of the work with current staff. The fiscal note has been revised reducing the cost to \$153,000 for FY 2013-2014 with no future-year costs. These costs would pay for updates to the Unified Tax System. Changes would be necessary to track and manage the tax credits and allow the distributions to occur. The Department has removed the need for an additional tax examiner position and some functions can initially be processed manually.

Chair Smith:

The fiscal note indicates it is difficult to analyze the fiscal impacts on the revenue side. Is that still the case?