

## FISCAL NOTE

May 3, 2019

<b>Bill No:</b>	SB 478	<b>Printer's No:</b>	497	<b>Sponsor:</b>	Vogel (R)
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### COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- Lost Revenue	See "FISCAL IMACT"	See "FISCAL IMPACT"

**SUMMARY:** SB 478 establishes a tax credit program for landowners who sell or lease their land to beginning farmers.

**ANALYSIS:** SB 478 establishes a tax credit program for landowners who sell or rent agricultural land to beginning farmers under the Department of Community and Economic Development (DCED). Each credit awarded to a landowner may not exceed \$32,000 and the total amount of the credit is capped at \$5 million in 2020, increasing to \$6 million in 2021. The credit is applicable against Personal Income Tax (PIT) and may not be carried over.

By February 1, 2025 DCED must submit a report to the General Assembly detailing the progress of the tax credit program.

SB 478 takes effect 60 days after passage.

**FISCAL IMPACT:** This bill will lead to a \$5 million loss in General Fund revenue in Fiscal Year 2019-2020. In Fiscal Year 2020-2021, that loss will increase to \$6 million and remain constant in all future years.

DCED may also incur staffing and other costs to administer this tax credit program.