

FISCAL NOTE

May 16, 2019

Bill No:	SB 618	Printer's No:	713	Sponsor:	Hutchinson (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund-Lost Revenue	See "FISCAL IMPACT"	\$35 million

SUMMARY: SB 618 amends the Tax Reform Code (TRC) to expands the size and duration of the Coal Refuse Energy and Reclamation Tax Credit program.

ANALYSIS: SB 618 amends TRC to add a provision stipulating that if a Federal coal refuse tax credit program is established, the state program shall be reduced by the exact amount of the federal program. In other words, if the amount of available federal credits equals or exceeds the amount of credits issued by the Department of Community and Economic Development (DCED), the commonwealth will cease to issue the credit.

SB 618 extends the duration of the Coal Refuse Energy and Reclamation Tax Credit program from 2026 to 2036. It expands the total amount of the credit from \$10 million to \$45 million annually beginning in Fiscal Year 2019-2020 and in every following year.

SB 618 takes effect 60 days after passage.

FISCAL IMPACT: SB 618 would lead to \$35 million in decreased revenue to the General Fund from 2019-20 to 2026-2027. As the bill extends the tax credit program for an addition ten years until 2036, it will lead to \$45 million in forgone revenue from 2027-2028 to 2036-2037