



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Rehabilitation Tax Incentive.
Bill Number: House Bill 949 (First Edition)
Sponsor(s): Representatives Riddell, Adams, Richardson, and Winslow

SUMMARY TABLE

FISCAL IMPACT OF H.B. 949, V.1 (\$ in millions)

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
State Impact					
General Fund Revenue	5.8	-	(5.8)	(56.0)	(57.0)
Less Expenditures	-	-	-	-	-
General Fund Impact	5.8	-	(5.8)	(56.0)	(57.0)
NET STATE IMPACT	\$5.8	-	(\$5.8)	(\$56.0)	(\$57.0)

FISCAL IMPACT SUMMARY

House Bill 949 impacts revenue collections by delaying the expiration of certifications for Mill Rehabilitation projects until 1/1/25, by extending the deadline for completing expenditures for certain Railroad Rehabilitation projects until 1/1/24, and by extending the Historic Rehabilitation tax credit sunset until 1/1/27.

FISCAL ANALYSIS

The estimate was developed based on a review of eligible projects, the historical average amount of credits used to reduce tax collections, and an adjustment for growth. The extension of time to complete an eligible railroad rehabilitation project shifts the original estimated impact from FY 21-22 to FY 23-24, resulting in a \$5.8M addition to revenue collections in FY 21-22 and a \$5.8M reduction in revenue in FY 23-24.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NC DEPARTMENT OF REVENUE

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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