

STATEMENT OF PURPOSE

RS26084

This Legislation makes three technical changes to the tax exemption for new capital investments of at least \$1 billion. First, it clarifies that the exemption applies to any investment in real or personal property, regardless of how or by whom the property is assessed. Second, it changes the beginning of the qualifying period during which the investment must be made to start with the issuance of a building permit rather than the first inspection of an improvement on the property. Third, it confirms that the qualifying investment includes personal property and fixtures constructed off site but installed on site.

FISCAL NOTE

This legislation has no negative fiscal impact on the general fund because it applies only to local property taxes. To the extent it incents economic development from large investments it should be expected to provide a positive contribution to the general fund. It will limit new property tax revenue of local taxing districts in which an investment is located to those property taxes payable on \$400 million in assessed valuation.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).