



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: SB0267.01: Provide a tax credit for charitable gifts to public infrastructure

Primary Sponsor: Dave Fern Status: As Introduced

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact  
☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
<b>Net Impact</b>	<u>\$0</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>
<b>General Fund Balance</b>				

### Description of fiscal impact

SB 267 creates a tax credit for charitable gifts made to public infrastructure projects. This credit is likely to be somewhat volatile year to year but is estimated to decrease general fund revenue by an average of approximately \$3 million per year beginning with FY 2027.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Revenue

- SB 267 creates a tax credit for charitable gifts made to public infrastructure projects. Individual or corporate income taxpayers will be eligible for a nonrefundable tax credit for 50% of the present value of a charitable gift made to a certified public infrastructure project up to a maximum credit amount of \$500,000.
- The bill defines "certified public infrastructure project" as a project to acquire or build real property that is either owned by state or local government and used to provide to general public educational, health, or civic service needs. The Department of Revenue will certify projects that meet the qualifications.
- The number of claims and total credit amounts are unpredictable and likely to vary year to year based on the current infrastructure projects and any large donations they may receive.
- Based on available data on donations for a few specific public projects, it is estimated that claims for this credit will average approximately \$3 million per year. This bill applies to tax year beginning after December 31, 2025, so it is assumed credits could begin being claimed on TY 2026 returns in FY 2027. It is assumed taxpayers claiming the credit will have sufficient tax liability to claim the whole credit, so general fund revenues will decrease by an average of \$3 million per year.
- The Department of Revenue will not incur significant additional costs because of this bill.

## Fiscal Analysis Table

## Department of Revenue

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
<b><u>Funding of Expenditures</u></b>				
<b><u>Revenues</u></b>				
General Fund (01)	\$0	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$0	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)

## Technical Concerns

## Department of Revenue

1. The bill does not specify the ability for tax credits claimed by pass-through entities, estates and trusts to be able to flow through and be claimed by the owners.
2. The bill does not address the need for a corporation to add back any deductions for charitable donations that this credit is being claimed for.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

2/14/25

RD

Budget Director's Initials

2/11/2025

Date