



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Disaster Relief and Mitigation Act of 2021.
Bill Number: House Bill 500 (First Edition)
Sponsor(s): Representatives Bell, B. Jones, McElraft, and Miller

SUMMARY TABLE

FISCAL IMPACT OF H.B. 500, V.10 (\$ 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	(25.0)	(26.5)	(27.6)	(29.0)	(30.4)
Less Expenditures	-	-	-	-	-
General Fund Impact	(25.0)	(26.5)	(27.6)	(29.0)	(30.4)
NET STATE IMPACT	(\$25.0)	(\$26.5)	(\$27.6)	(\$29.0)	(\$30.4)

FISCAL IMPACT SUMMARY

Section 11 of the bill reduces tax revenue by reenacting expired corporate and individual income tax credits for donating real property effective starting with the 2021 tax year. The bill makes modifications to the original use requirements for donated property. Under the bill, qualifying donations are eligible for tax credits if the property is useful:

- For farmland preservation
- As a buffer to limit land use activities that would restrict, impede, or interfere with military training, testing or operations of a military installation or training area or otherwise be incompatible with the mission of the installation
- For fish and wildlife conservation
- For floodplain protection

The credit is equal to 25% of the fair market value of the donated property interest.

FISCAL ANALYSIS

The estimate is based on the fiscal impact of the expired tax credit for certain real property donations reported in the Department of Revenue 2011 Tax Expenditure Report. That amount has been adjusted for growth to estimate the fiscal impact starting in FY 21-22.

The actual fiscal impact of the tax credit could vary significantly from the estimate due to multiple unknown variables, particularly due to modifications to the types of property donations that are eligible for the tax credit.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

DEPARTMENT OF REVENUE, INTERNAL REVENUE SERVICE

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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