

# MINNESOTA • REVENUE

## VARIOUS TAXES Job Opportunity Building Zones Extended

May 3, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of H.F. 4145 (Simpson)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective the day following final enactment.

### EXPLANATION OF THE BILL

**Current Law:** The maximum duration of a Job Opportunity Building Zone (JOBZ) is 12 years. The applicant may request or the commissioner may specify a shorter duration. All zones were designated effective January 1, 2004.

**Proposed Law:** The bill would extend the duration of a Job Opportunity Building Zone by three years for each parcel of property that meets the following requirements:

- (1) the qualified business operates an ethanol plant on the site that includes the parcel; and
- (2) the business subsidy agreement was executed after April 30, 2006.

### REVENUE ANALYSIS DETAIL

- The bill would increase state costs to the general fund in tax years 2016 through 2018 due to the extended tax incentives for ethanol plants.
- It is unknown how many qualified ethanol plants will execute business subsidy agreements after April 30, 2006, and be eligible for a three year extension of JOBZ tax incentives.

**Number of Taxpayers:** Unknown.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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