

**PRELIMINARY SUMMARY OF TAX CHANGE IMPACT ON FY14 & FY15 (Current Law)**

January 2013

In Millions

Note: Estimated impact for FY14 and FY15 is relative to the base year of FY13. Update estimates based on Panel discussion on January 31, 2013.

GENERAL AND EDUCATION FUNDS	Effective Date of Law Change	Expected Initial Impact to tax receipts / revenues	Updated estimated impact as of January 2013			
			FY14 Estimated Impact	FY15 Estimated Impact	Updated Est	Updated Est
			October Agency Est	January 2013	October Agency Est	January 2013
<p><b>2011 Legislative Changes</b></p> <p><b>BPT - Net Operating Loss Increase (Ch. 224:363, L11; Ch. 71, L12);</b></p>	Tax years beginning 1/1/13 or after - loss must be generated in tax year 1 to be available for use in year 2 or subsequent. Available to use for 10 years.	April 2014 Est Payment at earliest. DRA total possible impact est. of \$19-\$22M for each year.				
			(\$20.0)	(\$2.0)	(\$20.0)	(\$4.0)
<p><b>BET Carry Forward Changes (Ch. 225, L11);</b></p> <p>Initial estimated maximum impact calculated by DRA was approx \$15.9m.</p>	Taxable periods ending on or after July 1, 2014. Extends the carryforward period from 5 years to 10 years increasing 1 year each year until increased to the maximum of 10 years.	As 90%+ of taxpayers are calendar year filers, initial year could be realized in April 2014 Est Payments; however, deemed highly unlikely by DRA.				
			\$0.0	\$0.0	(\$8.0)	(\$3.0)
<p><b>2012 Legislative Changes</b></p> <p><b>Education Tax Credit (Ch. 287, L12);</b></p> <p>Estimated reduction to annual revenue projected by DRA: 1st program year 1/1/13-12/31-14 (max revenue reduction \$3.4m), 2nd program year 1/1/14-12/31/14 (max revenue reduction \$5.1m, third program year max reduction estimated by DRA @\$6.4m)</p>	Effective 1/1/13 & some activity reported by DRA to date.	Although effective 1/1/13, the \$1m must be spent and reported by entities by December 2013. Initial cash basis impact anticipated in FY14.				
			(\$2.0)	(\$2.0)	(\$2.0)	(\$2.0)
<p><b>R&amp;D Tax Credit (Ch. 116, L12)</b></p>	Repeal date extended to 7/1/15	As \$1m credit is already available in the base year of 2013, no add'l impact estimated for FY14/15				
			(\$1.0)	\$0.0	(\$1.0)	\$0.0
<p><b>BET Threshold Filing Changes (Ch. 279, L12);</b></p> <p>Estimated reduction to annual revenue projected by DRA: Annual range of revenue reduction estimated by DRA to be \$2-4.5m</p>	Taxable periods ending on or after 12/31/13	Could be as early as 4/15/13 Est Pmt				
			(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)
<p><b>Section 10 RE: Expense Deductions</b></p> <p>Increased from current law of \$20k to \$25k. DRA estimates annual revenue loss could be up to \$1.5m beginning in FY13.</p>	Section 10 Effective 6/21/12 for property placed in service on or after 1/1/12	Assumed to be in base FY13 already; impact not material.				
			\$0.0	\$0.0	\$0.0	\$0.0
<p><b>Tobacco Tax based on the updated FY13 revenue estimate from DRA and FY12 actuals (pursuant Ch. 224:379, L11, the rate reverts back to \$1.78 on August 1, 2013 if FY12/13 revenues are not higher than FY10/11 revenues - cash basis)</b></p>	Aug-13	Aug-13				
			\$0.0	\$10.0	\$0.0	\$10.0