

**TAX: CORPORATE INCOME TAX**  
**ISSUE: INDUSTRIAL PARTNERSHIP PROFESSORSHIP CREDIT**  
**BILL NUMBER(S): HB443 / S B 1164**  
**SPONSOR(S): REP. WALLACE AND REP. MCGRUFF**  
**MONTH/YEAR COLLECTION IMPACT BEGINS: JULY 1, 2001**  
**DATE OF ANALYSIS: MARCH 26, 2001**

**SECTION 1: NARRATIVE**

a. **Current Law:** There is no industrial partnership professorship credit against corporate income tax.

b. **Proposed Change:**

Establishes Industrial Partnership Professorship Program within the State University System for a period of ten years

- A maximum of 15 professorships may be established by the Board of Regents
- A (renewable) contract sponsoring an industrial professorship will be for a minimum of one year.
- The sponsoring corporation provides two-thirds of the costs of each professorship while the State University System will provide one-third.
- Total expenditures by the state are capped at \$500,000 for each fiscal year, resulting in a maximum amount able to be contributed by corporations of \$1 million.
- The corporations sponsoring an industrial professorship will be allowed an annual credit against the corporate income tax for one half of the amount contributed to the establishment and maintenance of the position.
- If any credit is not fully used in the first year, the unused amount may be carried forward for up to five years.

**SECTION 2: DESCRIPTION OF DATA & SOURCES**

- N/A

**SECTION 3: ASSUMPTIONS & RATIONALE**

- Maximum number of professorships are established beginning with Fall 2001
- Full amount of credit will be taken on CY2001 Returns
- FY 2001/02 cash impact consist of the full amount of credit taken during CY2001 (reflected in both estimated payments and final returns filed) as well as a reduction in estimated payments made for CY2002 in an amount of 25% of the full amount of the available credit

**SECTION 4: METHODOLOGY**

**SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)**

State Impact - All Funds	FY 2001-02 Annualized	FY 2001-02 Cash	FY 2002-03 Cash
High			
Middle	-\$500,000	-\$625,000	-\$500,000
Low			

Consensus Estimate Adopted: 3/30/01	FY 2001-02 Annualized	FY 2001-02 Cash	FY 2002-03 Cash
General Revenue	(.5)	(.6)	(.5)
Total State Impact	(.5)	(.6)	(.5)
Local Tax Impact			
Total Impact	(.5)	(.6)	(.5)