

**Units of Measurement:**

All tax expenditure estimates are in millions of current dollars (e.g. Exhibits 1, 2, 3, 5, etc.).

All tax parameter values are in current dollars (e.g. Exhibits B.01.b, C.01, C.10, C.11 and D.01).

**Years:**

The term “year” as used in this report has three definitions depending upon the specific table or context.

***Fiscal Years (Appendix I & VII)***

General Fund, Highway Fund and other fund receipts are reported on a fiscal year cash basis. For the period 1900 to 1944, the State fiscal year was January 1 through December 31. Beginning in 1945, the State fiscal year was changed to the period July 1 through June 30. The six month period January 1 through June 30 of 1945 is designated as the “transition period.”

***Calendar Years (Appendix VIII)***

These are defined as the period January 1 through December 31.

***Tax Years***

The majority of the data contained in this report are tabulated based upon the concept of “tax years.” Tax years are a hybrid of both calendar years and fiscal years. They are based upon tax payments associated with the tax liability for a twelve month period referred to as a tax year. This is due to the fact that not all taxpayers have the traditional calendar year as their tax period. While the latter is the most common, many individuals and corporations have non-calendar fiscal years. This fact is reflected by the typical wording of tax statutes which universally use a phrase such as “for tax years beginning on or after...”

Thus, the tax expenditure estimates for any given year reflect the revenue losses associated with all taxpayers whose fiscal (or tax) year began in that particular year.

**Federal Estimates for Accelerated Depreciation:**

According to the Office of Management and Budget (OMB) the tax expenditures for accelerated depreciation have been recalculated to include historical cost of the asset as well as account for inflation. The revised estimates are intended to provide more accuracy in measuring economic depreciation. These estimates differ greatly from previous years, and does not allow for comparison to years before 2003. The OMB's tax expenditure estimates for depreciation are often negative, especially in future years. This amount indicates that the current law's tax depreciation allowances are smaller than those implied by economic depreciation over the life of an investment. See page 138 of the Analytical Perspectives: Budget of the United States Government, Fiscal Year 2004.

**Data Sources:**

Office of Management and Budget-OMB, "Tax Expenditures," *Budget of the United States Government: Analytical Perspectives*, Fiscal Year 2009, pp. 287-328. <http://www.whitehouse.gov/omb/budget/fy2009/pdf/apers/receipts.pdf>

Joint Committee on Taxation-JCT, *Estimates of Federal Tax Expenditures for Fiscal Years 2008-2012*. (JCS-2-08), October, 31, 2008. <http://www.house.gov/jct/S-2-08.pdf>

Missouri Department of Revenue, Tax Credit System; Transaction Totals for 2006-2008.

Missouri Department of Economic Development, Monthly Redemption Report for 2006-2008. Includes only redemption information entered by the Department of Revenue into CMS.

Missouri Department of Insurance, Insurance Company Premiums, Deductions and Tax Credit Information Report for 2004-2007.