To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Utility Tax on Personal Communications Services (General Fund Taxes)

[LFB Summary: Page 32, #15]

CURRENT LAW

Under current law, a gross revenues tax is imposed on all telecommunications companies at a rate of 5.77%. Beginning with taxes due for 1998, the gross revenues license fee will be eliminated and an ad valorem tax will be imposed (as enacted in 1995 Wisconsin Act 351). As part of the shift from a gross revenues fee to an ad valorem tax, each cellular mobile radio telecommunications company and local exchange service company will pay a transitional fee for 1999 and 2000. The fee will be the difference between the taxpayer's ad valorem utility tax payment and the amount that the taxpayer would pay if subject to the gross revenues tax. Under current law, "cellular mobile radio communications utility" means a person authorized by the Federal Communications Commission (FCC) to provide cellular service. Interexchange companies and resellers will not be subject to the transitional fee.

GOVERNOR

Specify that the transitional adjustment fee on certain telecommunications utilities would be imposed on persons that provide commercial mobile service rather than on cellular mobile radio telecommunications companies. Commercial mobile services would have the same meaning as under federal law.

DISCUSSION POINTS

1. Under federal law, "commercial mobile service" means any mobile service (radio communication carried on between mobile stations and land stations or between different mobile stations) that is provided for profit and made available to the public or to a substantial portion of the public. Both cellular communications and personal communications services (PCS) are forms of commercial mobile service.

2. PCS companies are an emerging group of telecommunications businesses that use a different portion of the radio spectrum than cellular companies. The two different types of services are the same from a consumer viewpoint. At this time, there are two PCS companies operating in Wisconsin.

3. The administration indicates that the intent of the budget provision is to clarify that PCS companies would be treated the same as cellular telecommunications companies for purposes of the transition fee. The administration also indicates that when Act 351 was enacted, it was understood that the term cellular mobile radio telecommunications included PCS.

4. If the modification is not made, it is possible that the transitional fee could not be collected from PCS companies without litigation.

5. On April 22, 1997, the Department of Revenue sent a letter to the Committee requesting a technical correction to this provision to ensure that resellers of commercial mobile services would continue to be exempt from the transition fee. Under the bill, resellers of commercial mobile service would be subject to the transition fee because they provide commercial mobile services to their customers. However, resellers will already pay the fee indirectly when they purchase the service to resell. The modification requested by DOR would specify that only persons licensed by the FCC to provide commercial mobile service would be subject to the transition fee. Since resellers are not licensed by the FCC, they would not have to pay the transition fee on the service they resell. Under current law, the resale of local exchange service does not trigger the fee for resellers.

6. The April 22 letter also requested a second modification to the transition fee. Under current law, if an interexchange company also engages in the business of selling cellular phone service (or commercial mobile service under the bill recommendation), all of the interexchange company's gross revenues would be subject to the transition fee, including revenues from providing interexchange service. The Department has requested a modification to specify that only the revenues from commercial mobile service be used in the calculation of the transitional fee. The Department indicates that it was not the intent of Act 351 to impose the fee on interexchange revenues.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to specify that the transitional adjustment fee would be imposed on persons that provide commercial mobile service (as defined by federal law) with a modification to specify that only persons licensed by the FCC to provide commercial mobile service would be subject to the transition fee.

2. Adopt the modification requested by the Department of Revenue to specify that, if an interexchange company also provides commercial mobile service, the revenues used to calculate the transition fee would be limited to the person's activities as a commercial mobile service provider.

3. Maintain current law.

Prepared by: Kelsie Doty

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE_____ NO _____ ABS_____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes -- Use Tax on Automobiles Used by Dealers (General Fund Taxes)

[LFB Summary: Page 25, Item #9]

GOVERNOR

Modify provisions regarding imposition of the use tax on vehicles that are used for a purpose in addition to retention, demonstration or display while held for sale in the regular course of business by motor vehicle dealers. Under current law, the use tax is imposed on the fair rental or lease value of the vehicle as determined under federal income tax regulations, except that the lease value for vehicles held in inventory and used by employes for whom the dealer is required to withhold federal income taxes is specified at $96 per month. The $96 amount is adjusted for inflation each year.

Under the bill, the $96 monthly lease value would also be applied to persons who have an ownership interest in the dealership and actively participate in the daily operation of the dealership. This provision would take effect on the first day of the second month beginning after publication of the bill. The fiscal effect is estimated to be minimal.

MODIFICATION TO BILL

Define "actively participates" for purposes of this provision to mean the sole proprietor, partner, subchapter S shareholder, or LLC member performs services for the motor vehicle dealership, such as sales, accounting, management and consulting, for more than 500 hours in a taxable year for which such person receives compensation. "Actively participate" would not include services performed only in the capacity of an investor such as studying and reviewing

financial statements or reports on operation of the business, preparing or compiling summaries or analyses of finances of the business for the investor's own use, or monitoring the finances or operations of the activity in a non-managerial capacity.

In addition, modify the language to read "day-to-day" rather than "daily" operation of the dealership.

Explanation: The Department of Revenue indicates that these modifications are necessary in order to clarify that the budget provision would not apply to individuals who are only marginally involved in the day-to-day operations of the dealership.

Prepared by: Rob Reinhardt

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE_____ NO _____ ABS_____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Increase Cigarette Tax (General Fund Taxes)

[LFB Summary: Page 21, #2 and Page 554, #2]

CURRENT LAW

Wisconsin imposes an excise tax on the sale of cigarettes. The tax rate is generally 44¢ per pack, or 22 mills per cigarette, although for larger cigarettes (weighing more than three pounds per thousand) the tax rate is 44 mills per cigarette. Cigarette tax collections totaled $198.0 million in 1995-96 and are estimated to be $198.0 million in 1996-97, $196.0 million in 1997-98 and $194.0 million in 1998-99 under current law.

GOVERNOR

Increase the cigarette tax rate by 5¢ per pack, from 44¢ per pack to 49¢, effective on the first day of the second month beginning after publication of the budget act.

DISCUSSION POINTS

1. The bill estimates that the proposed cigarette tax increase would generate $20,400,000 in 1997-98 and $21,500,000 in 1998-99, assuming an effective date of September 1, 1997. In addition, funding for cigarette tax refunds to Native American retailers is increased by $700,000 GPR in 1997-98 and $1,100,000 GPR in 1998-99 to reflect the proposed increase in the tax rate (under an agreement with the state, the tribes are refunded 70% of the tax paid on cigarette sales made to non-tribal members and 100% of the tax on sales made to Native

Americans). Therefore, the net impact of the tax increase is estimated at $19,700,000 in the first year and $20,600,000 in the second year.

It is assumed that an increase in the cigarette tax would result in reduced demand for cigarettes in Wisconsin. However, the administration's figures do not fully account for this factor. Therefore, the estimates for the tax increase should be revised to $19,400,000 in 1997-98 and $20,300,000 in 1998-99. The additional refunds to Native American retailers should be reestimated to be $800,000 in the first year and $1,200,000 in the second year. With these revisions, the net impact of the tax increase would be $18,600,000 in 1997-98 and $19,100,000 in 1998-99. These amounts are lower than the figures used in the bill by $1,100,000 in the first year and $300,000 in the second year.

2. Attachment 1 identifies the cigarette tax rates in effect in other states. Currently, there are 12 states with a higher tax than Wisconsin, the highest being Washington with a tax of 82.5¢ per pack. The state with the lowest cigarette tax is Virginia at 2.5¢ per pack. Of the neighboring states, the cigarette tax is currently 44¢ per pack in Illinois, 36¢ per pack in Iowa, 75¢ in Michigan and 48¢ in Minnesota. Although not shown in the attachment, the federal excise tax on cigarettes has been 24¢ per pack since January 1, 1993.

3. The cigarette tax rate has been increased three times in the last ten years. The rate was increased from 25¢ per pack to 30¢ on September 1, 1987. On May 1, 1992, the rate was increased to 38¢ and the current rate of 44¢ per pack was established in 1995 Wisconsin Act 27, effective September 1, 1995.

4. Attachment 2 outlines the estimated fiscal effects of a number of potential cigarette tax increases, assuming an effective date of September 1, 1997. If a different effective date is used, the 1997-98 estimates would vary. The estimates also account for: (a) one-time revenues in 1997-98 from the floor tax on inventories; (b) increased sales tax revenues since the state sales tax is imposed on the price of cigarettes, including the excise tax; (c) increased refunds of cigarette taxes for sales on Native American reservations; and (d) decreased demand in response to a state tax increase.

5. Wisconsin also imposes an occupational tax on the sale of all other tobacco products, except cigarettes, equal to 20% of the manufacturer's list price to distributors. According to data from the Department of Agriculture, Trade and Consumer Protection, the manufacturer's price of premium cigarettes when sold to distributors is $12.29 per carton (or $1.23 per pack) for 1997. A 49¢ per pack cigarette tax rate, as proposed in the bill, is 40% ($0.49 / $1.23) of the manufacturer's price, which is double the state's tax on other tobacco products. Tobacco product tax collections totaled $7.4 million in 1995-96 and are estimated to be $8.4 million in 1996-97, $9.0 million in 1997-98, and $9.5 million in 1998-99.

The tobacco products tax could be increased to 40% of the manufacturer's list price to make it comparable with the proposed cigarette tax rate. This modification would generate an

estimated $7,300,000 in 1997-98 and $9,300,000 in 1998-99, assuming an effective date of September 1, 1997.

6. Under the bill, the cigarette tax increase would be effective on the first day of the second month beginning after publication. The fiscal estimates reflect an effective date of September 1, 1997, which would occur if the budget were enacted in July. However, if the bill were not enacted until August, the effective date of the tax increase would be October 1, 1997, which would reduce the fiscal effect by $1.5 million in 1997-98. [Two of the last three biennial budgets were enacted during the month of August.] In order to prevent this revenue loss, the bill could be modified so that the cigarette tax increase would be effective on the first day of the second month beginning after publication of the budget act or September 1, 1997, whichever is earlier.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to increase the cigarette tax rate by 5¢ per pack, from 44¢ per pack to 49¢, effective on the first day of the second month beginning after publication the budget act. Reestimate the fiscal effect of the tax increase to be $19,400,000 in 1997-98 and $20,300,000 in 1998-99, a decrease of $1,000,000 in 1997-98 and $1,200,000 from the bill. Increase funding for cigarette tax refunds to Native Americans by $100,000 GPR in each year.

Alternative 1	GPR
1997-99 REVENUE (Change to Bill)	- $2,200,000
1997-99 FUNDING (Change to Bill)	$200,000

2. Adopt the Governor's recommendation with a modification to specify that the rate increase would be effective on the first day of the second month beginning after publication of the budget act or September 1, 1997, whichever is earlier.

Alternative 2	GPR
1997-99 REVENUE (Change to Bill)	- $2,200,000
1997-99 FUNDING (Change to Bill)	$200,000

3. Adopt one of the alternative cigarette tax increases outlined in Attachment 2 effective on the first day of the second month after publication of the budget act or September 1, 1997, whichever is earlier.

4. Increase the occupational tax on tobacco products from 20% to 40% of the manufacturer's list price to distributors, effective on the first day of the second month beginning

after publication of the budget act or September 1, 1997, whichever is earlier. This alternative is estimated to increase revenues by $7.3 million in 1997-98 and $9.3 million in 1998-99.

Alternative 4	GPR
1997-99 REVENUE (Change to Bill)	$16,600,000

5. Maintain current law.

Alternative 5	GPR
1997-99 REVENUE (Change to Bill)	- $41,900,000
1997-99 FUNDING (Change to Bill)	- $1,800,000

Prepared by: Kelsie Doty

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE_____ NO _____ ABS_____

ATTACHMENT 1

Cigarette Tax Rates in Other States*

State	Tax Rate Per Pack	State	Tax Rate Per Pack
Washington	82.5¢	Florida	33.9¢
Massachusetts	76.0	South Dakota	33.0
Michigan	75.0	Pennsylvania	31.0
Oregon	68.0	Alaska	29.0
District of Columbia	65.0	Idaho	28.0
Rhode Island	61.0	New Hampshire	25.0
Hawaii	60.0	Delaware	24.0
Arizona	58.0	Kansas	24.0
New York	56.0	Ohio	24.0
Utah*	51.5	Oklahoma	23.0
Connecticut	50.0	New Mexico	21.0
Minnesota	48.0	Colorado	20.0
Illinois	44.0	Louisiana	20.0
North Dakota	44.0	Mississippi	18.0
Vermont	44.0	Montana	18.0
WISCONSIN	44.0	Missouri	17.0
Texas	41.0	West Virginia	17.0
New Jersey	40.0	Alabama	16.5
California	37.0	Indiana	15.5
Maine	37.0	Tennessee	13.0
Iowa	36.0	Georgia	12.0
Maryland	36.0	Wyoming	12.0
Nevada	35.0	South Carolina	7.0
Arkansas	34.0	North Carolina	5.0
Nebraska	34.0	Kentucky	3.0
		Virginia	2.5

*As of July 1, 1997.

ATTACHMENT 2

Estimated Fiscal Effects of Alternative Cigarette Tax Increases

Tax Increase	New Tax Rate	Fiscal Effect (In Millions) 1997-98*	1998-99	1997-99 Biennium*	Change to Bill
$0.01	$0.45	$3.9	$3.9	$7.8	-$32.3
0.02	0.46	7.5	7.6	15.1	-25.0
0.03	0.47	11.2	11.6	22.8	-17.3
0.04	0.48	14.8	15.4	30.2	-9.9
0.05	0.49	18.6	19.1	37.7	-2.4
0.06	0.50	22.3	22.9	45.2	5.1
0.07	0.51	25.8	26.7	52.5	12.4
0.08	0.52	29.5	30.3	59.8	19.7
0.09	0.53	33.1	34.2	67.3	27.2
0.10	0.54	36.8	37.9	74.7	34.6
0.15	0.59	54.3	56.1	110.4	70.3
0.20	0.64	71.9	73.8	145.7	105.6
0.25	0.69	88.8	91.0	179.8	139.7
0.30	0.74	105.4	107.9	213.3	173.2
0.40	0.84	137.2	140.1	277.3	237.2
0.50	0.94	167.6	170.5	338.1	298.0
0.56	1.00	185.0	187.8	372.8	332.7
0.75	1.19	236.4	238.2	474.6	434.5
1.00	1.44	295.1	294.2	589.3	549.2

*Reflects an effective date of September 1, 1997.

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Individual Income Tax -- One-Time Credit (General Fund Taxes)

CURRENT LAW

No provision.

GOVERNOR

No provision.

DISCUSSION POINTS

1. On May 5, 1997, estimates of general fund tax collections were revised to reflect current year collections data and more recent forecasts of the U.S. economy. Estimates were increased by $95 million in 1996-97, $75 million in 1997-98 and $60 million in 1998-99 for a total increase of $230 million over the three fiscal years.

2. Since most of the $230 million is from 1996-97 and 1997-98, it may be preferable to distribute those revenues through a one-time mechanism rather than enacting a permanent tax reduction or increasing spending on an ongoing basis.

3. This paper provides information on one-time income tax credits that could be provided for tax year 1997. The first section provides information on credit alternatives that would equal 10% of a taxpayer's net income tax liability. The second section provides information on a one-time property tax/rent credit (PTRC).

One-Time Credit Equal to 10% of Net Tax Liability

4. This credit would equal 10% of a taxpayer's net income tax liability. The credit would be limited to a maximum amount based on filing status and would cost an estimated $150 million. There are two options for establishing a maximum credit amount.

Alternative 1. The credit could be structured so that the maximum credit for married taxpayers filing joint returns would be $100, the maximum credit for single taxpayers would be $75 and the maximum credit for married-separate taxpayers would be $50. This would establish the same relationship between the different filing statuses for the maximum one-time credit as currently exists for purposes of the income tax brackets.

Alternative 2. The credit could also be structured so that the maximum credit for married-joint taxpayers would be $110 and the maximum credit for single and married-separate taxpayers would be $55. Under this option, the credit would not create a marriage penalty since the maximum credit for single taxpayers would be one-half of the maximum credit for married taxpayers filing a joint return. A marriage penalty exists when a married couple filing a joint return pays more taxes than two single taxpayers filing single returns.

5. Attachments 1 and 2 to this paper provide information on the 10% one-time credit based on the 1995 Wisconsin tax sample. The sample has data from over 20,000 tax returns, weighted to reflect all taxpayers in 1995. However, changes in the number of taxpayers and the kinds and amounts of income they claim over time cannot be shown. To the extent possible, changes in tax laws between 1995 and later years have been included. The amounts shown in the attachments and the estimated fiscal effect differ because the attachments reflect 1995 data and the fiscal estimate is for the 1997-98 fiscal year.

Attachment 1 shows distributional information under the option to set the maximum credit amounts at $100 for married-joint taxpayers, $75 for single taxpayers and $50 for married-separate taxpayers. Attachment 2 shows distributional information for an option to set the maximum credit amounts at $110 for married-joint taxpayers and $55 for single and married-separate taxpayers.

6. If the two attachments are compared, it can be seen that the distribution of each alternative is similar. However, the average credit is larger for taxpayers with income between $15,000 and $40,000 under Alternative 1 while taxpayers with income above $40,000 would receive a larger average credit under the second alternative. This occurs because the maximum credit is higher for single taxpayers under the first alternative and the maximum credit is larger for married-joint taxpayers under Alternative 2.

7. Under the provisions of Chapter 1, Laws of 1979, a one-time credit equal to 16% of tax liability, up to a maximum of $900, was provided for tax year 1979. As part of that credit, an eight-week individual income tax withholding moratorium was provided during May

and June of 1979. Self-employed persons who were required to make quarterly estimated tax payments were allowed to reduce the last three payments to reflect the credit. Persons not subject to withholding and not required to make estimated payments during the year were able to claim the credit when their 1979 tax returns were filed. A two-week withholding moratorium could be provided to reflect the 10% credit for tax year 1997.

8. As noted in Attachments 1 and 2, the average tax benefit from the one-time credit would be approximately $70. Establishing a two-week withholding moratorium would allow taxpayers to receive the credit several months earlier than if the credit was claimed on the 1997 tax return. However, the withholding moratorium would create an additional administrative burden on employers and the Department of Revenue in processing withholding payments.

One-Time Property Tax/Rent Credit

9. Under current law, a PTRC equal to 10% of property taxes or rent constituting property taxes paid on a principal residence up to a maximum amount of $2,000 is provided. The maximum credit is $200. For homeowners, the credit is equal to 10% of property taxes paid on a principal residence during the tax year. The credit is available to renters based on 10% of rent constituting property taxes. Rent constituting property taxes is defined as 25% of actual rent if payment for heat is not included in rent or 20% of actual rent if payment for heat is included in rent. The credit is applied directly against income tax liability, but the credit is not refundable.

10. The PTRC could be increased on a one-time basis for tax year 1997. There are two options presented in this memorandum for establishing the maximum property tax amount and credit percentage. Under each of the alternatives, the credit would continue to be nonrefundable.

Alternative 3. The credit would be 15% of property taxes or rent constituting property taxes up to a maximum of $3,000 in taxes. The maximum credit would be $450. This alternative is estimated to cost $167.7 million in 1997-98.

Alternative 4. The credit would be 20% of property taxes or rent constituting property taxes up to a maximum of $2,000 in taxes. The maximum credit would be $400. This alternative is estimated to cost $216.3 million in 1997-98.

11. For federal income tax purposes, taxpayers can claim the greater of the federal standard deduction or itemized deductions. Itemized deductions include the amounts paid for property taxes within the calendar year, regardless of the year for which the tax is levied. Taxpayers whose itemized deductions are smaller than their federal standard deduction may choose to pay two years of property taxes in one calendar year in order to claim itemized deductions in one year and the standard deduction in the next year (this is referred to as "doubling up"). For most taxpayers, the property tax amount claimed as an itemized deduction for federal tax purposes is the same amount used in calculating the state's PTRC.

12. Under the provisions of 1989 Wisconsin Act 31, a one-time increase in the PTRC was provided, based on property taxes or rent constituting property taxes paid in 1987 and 1988. The credit percentages were increased by 6.5% for each year and the maximum of $2,000 in property taxes was retained. The one-time credit was not reflected in the income tax forms, but rather a tax refund check was issued in April of 1990, using tax forms already filed for tax years 1987 and 1988. Taxpayers who doubled up property taxes in 1987 or 1988 objected to the Act 31 credit because it was based on tax forms already filed. These individuals argued that they may have chosen to pay property taxes in different years if the one-time credit had been available at the time the returns were filed.

13. The one-time PTRC alternatives presented in this paper differ from the Act 31 credit because the proposed credit would be reflected on the 1997 tax return. As a result, taxpayers would be able to weigh all of the tax implications of doubling up property taxes prior to paying property taxes and filing income tax returns.

14. Attachments 3 and 4 provide information on the one-time PTRC options described above based on the 1995 Wisconsin tax sample. If the attachments are compared, it can be seen that lower-income taxpayers tend to fare better under Alternative 4 while higher-income taxpayers tend to fare better under Alternative 3. This would happen because individuals who pay a relatively small amount of property taxes would receive a larger tax benefit from a larger credit percentage while individuals who pay a relatively large amount in property taxes would be better off with an alternative that would increase the maximum amount of property taxes eligible for the credit.

15. Attachment 5 shows the potential PTRC under current law and under each of the alternatives for various amounts of property tax or rent constituting property tax. Individuals who pay $2,600 or less in property taxes would be eligible for a larger credit under Alternative 4. Taxpayers who pay $2,700 or more in property taxes would be eligible for a larger credit under Alternative 3. According to the tax sample, the average property tax or rent constituting property tax that was used in claiming the PTRC in 1995 was $1,836. It is also estimated that, under the budget bill, the net property tax bill on a median-valued home in the state for 1997 would be $1,976.

ALTERNATIVES TO BILL

10% One-Time Credit

1. Provide a one-time individual income tax credit equal to 10% of net tax liability up to $100 for married-joint taxpayers, $75 for single taxpayers and $50 for married taxpayers filing separate returns.

Alternative 1	GPR
1997-99 REVENUE (Change to Bill)	- $150,000,000

2. Provide a one-time individual income tax credit equal to 10% of net tax liability up to $110 for married-joint taxpayers and $55 for single and married-separate taxpayers.

Alternative 2	GPR
1997-99 REVENUE (Change to Bill)	- $150,000,000

3. Create a two-week withholding moratorium to reflect the 10% one-time credit. Direct DOR to notify employers of the moratorium and to provide instructions to self-employed individuals to reflect the credit in their estimated tax payments.

One-Time PTRC

4. Provide a one-time PTRC equal to 15% of property taxes or rent constituting property taxes up to a maximum of $3,000 in taxes in tax year 1997. The maximum credit would be $450. This alternative is estimated to cost $167.7 million in 1997-98.

Alternative 4	GPR
1997-99 REVENUE (Change to Bill)	- $167,700,000

5. Provide a one-time PTRC equal to 20% of property taxes or rent constituting property taxes up to a maximum of $2,000 in taxes in tax year 1997. The maximum credit would be $400. This alternative is estimated to cost $216.3 million in 1997-98.

Alternative 5	GPR
1997-99 REVENUE (Change to Bill)	- $216,300,000

Prepared by: Kelsie Doty

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE_____ NO _____ ABS_____

ATTACHMENT 1

Distribution of Tax Decrease Under a Proposal to Create a One-Time 10% Credit With a Maximum of $100 Married-Joint, $75 Single and $50 Married-Separate Alternative 1

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease: Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease	Count of All Returns	% of All Returns in AGI Class
Under $5,000	41,500	2.2%	-$268,000	0.2%	-$6	363,200	11.4%
5,000 to 10,000	159,000	8.4	-1,863,000	1.4	-12	282,500	56.3
10,000 to 15,000	212,800	11.2	-6,019,000	4.5	-28	247,700	85.9
15,000 to 20,000	216,700	11.5	-11,776,000	8.9	-54	218,200	99.3
20,000 to 25,000	182,500	9.6	-13,125,000	9.9	-72	182,600	99.9
25,000 to 30,000	151,000	8.0	-12,279,000	9.2	-81	151,400	99.7
30,000 to 40,000	255,000	13.5	-22,677,000	17.0	-89	255,000	100.0
40,000 to 50,000	211,200	11.2	-19,914,000	15.0	-94	211,200	100.0
50,000 to 75,000	298,400	15.8	-29,091,000	21.9	-97	298,400	100.0
75,000 to 100,000	92,100	4.9	-9,053,000	6.8	-98	92,100	100.0
100,000 to 200,000	53,600	2.8	-5,239,000	3.9	-98	53,600	100.0
200,000 to 300,000	9,000	0.5	-883,000	0.7	-98	9,000	100.0
300,000 and Over	8,600	0.4	-838,000	0.6	-97	8,600	100.0
TOTALS	1,891,400	100.0%	-$133,025,000	100.0%	-$70	2,373,500	79.7%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.9 million taxpayers, or 79.7% of all taxpayers would receive a tax benefit from the credit.

• 53.9% of the credit would be received by taxpayers with income between $30,000 and $75,000. These taxpayers account for 40.5% of all taxpayers with a tax benefit.

• The average tax benefit increases from $6 for taxpayers with income below $5,000 to approximately $98 for taxpayers with income above $50,000.

• Over 99% of all taxpayers with income above $15,000 would have a tax benefit from the credit. Individuals who would not receive a benefit include taxfilers who do not have a tax liability under current law.

ATTACHMENT 2

Distribution of Tax Decrease Under a Proposal to Create a One-Time 10% Credit With a Maximum of $110 Married-Joint and $55 Single and Married-Separate Alternative 2

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease: Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease	Count of All Returns	% of All Returns in AGI Class
Under $5,000	41,500	2.2%	-$269,000	0.2%	-$6	363,200	11.4%
5,000 to 10,000	159,000	8.4	-1,864,000	1.4	-12	282,500	56.3
10,000 to 15,000	212,800	11.2	-6,004,000	4.6	-28	247,700	85.9
15,000 to 20,000	216,700	11.5	-10,208,000	7.8	-47	218,200	99.3
20,000 to 25,000	182,500	9.6	-10,647,000	8.1	-58	182,600	99.9
25,000 to 30,000	151,000	8.0	-10,714,000	8.2	-71	151,400	99.7
30,000 to 40,000	255,000	13.5	-21,922,000	16.8	-86	255,000	100.0
40,000 to 50,000	211,200	11.2	-20,625,000	15.8	-98	211,200	100.0
50,000 to 75,000	298,400	15.8	-31,235,000	23.9	-105	298,400	100.0
75,000 to 100,000	92,100	4.9	-9,793,000	7.5	-106	92,100	100.0
100,000 to 200,000	53,600	2.8	-5,644,000	4.3	-105	53,600	100.0
200,000 to 300,000	9,000	0.5	-947,000	0.7	-105	9,000	100.0
300,000 and Over	8,600	0.4	-900,000	0.7	-105	8,600	100.0
TOTALS	1,891,400	100.0%	-$130,772,000	100.0%	-$69	2,373,500	79.7%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.9 million taxpayers, or 79.7% of all taxpayers would receive a tax benefit from the credit.

• 56.5% of the credit would be received by taxpayers with income between $30,000 and $75,000. These taxpayers account for 40.5% of all taxpayers with a tax benefit.

• The average tax benefit increases from $6 for taxpayers with income below $5,000 to approximately $105 for taxpayers with income above $50,000.

• Over 99% of all taxpayers with income above $15,000 would have a tax benefit from the credit. Taxfilers who do not have a tax liability under current law would not benefit from the credit.

ATTACHMENT 3

Distribution of Tax Decrease Under a Proposal to Create a One-Time PTRC Equal to 15% of Property Taxes up to $3,000 in Taxes Alternative 3

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease					Count of All Returns	% of All Returns in AGI Class
	Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease		
Under $5,000	3,000	0.2%	-$28,000	0.0%	-$9	363,200	0.8%
5,000 to 10,000	57,900	3.9	-1,454,000	0.9	-25	282,500	20.5
10,000 to 15,000	145,800	9.7	-6,644,000	4.2	-46	247,700	58.9
15,000 to 20,000	162,200	10.8	-10,713,000	6.8	-66	218,200	74.3
20,000 to 25,000	145,500	9.7	-10,748,000	6.8	-74	182,600	79.7
25,000 to 30,000	128,800	8.6	-10,476,000	6.6	-81	151,400	85.1
30,000 to 40,000	225,200	15.0	-20,476,000	13.0	-91	255,000	88.3
40,000 to 50,000	198,400	13.2	-22,558,000	14.3	-114	211,200	93.9
50,000 to 75,000	282,300	18.8	-43,337,000	27.5	-154	298,400	94.6
75,000 to 100,000	86,900	5.8	-16,758,000	10.6	-193	92,100	94.4
100,000 to 200,000	49,800	3.3	-10,723,000	6.8	-215	53,600	92.9
200,000 to 300,000	8,200	0.5	-1,898,000	1.2	-231	9,000	91.1
300,000 and Over	7,400	0.5	-1,779,000	1.1	-240	8,600	86.0
TOTALS	1,501,400	100.0%	-$157,592,000	100.0%	-$105	2,373,500	63.3%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.5 million taxpayers, or 63.3% of all taxpayers, would receive a tax benefit from the one-time PTRC.

• 65.4% of the credit would be received by taxpayers with income between $30,000 and $100,000. These taxpayers account for 52.8% of all taxpayers with a tax benefit.

• The average tax benefit increases from $9 for taxpayers with income below $5,000 to $240 for taxpayers with income above $300,000. The average tax benefit for all taxpayers would be $105.

• Over 74.3% of all taxpayers with income above $15,000 would have a tax benefit from the proposed credit. Taxpayers who do not pay property taxes or rent, taxfilers who do not have a tax liability under current law and some taxpayers who pay the alternative minimum tax would not benefit from the credit.

ATTACHMENT 4

Distribution of Tax Decrease Under a Proposal to Create a One-Time PTRC Equal to 20% of Property Taxes up to $2,000 in Taxes Alternative 4

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease: Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease	Count of All Returns	% of All Returns in AGI Class
Under $5,000	3,000	0.2%	-$58,000	0.0%	-$19	363,200	0.8%
5,000 to 10,000	57,900	3.9	-2,448,000	1.2	-42	282,500	20.5
10,000 to 15,000	145,800	9.7	-10,953,000	5.4	-75	247,700	58.9
15,000 to 20,000	162,200	10.8	-17,402,000	8.5	-107	218,200	74.3
20,000 to 25,000	145,500	9.7	-17,041,000	8.3	-117	182,600	79.7
25,000 to 30,000	128,800	8.6	-16,003,000	7.8	-124	151,400	85.1
30,000 to 40,000	225,200	15.0	-30,651,000	15.0	-136	255,000	88.3
40,000 to 50,000	198,400	13.2	-30,885,000	15.1	-156	211,200	93.9
50,000 to 75,000	282,300	18.8	-49,731,000	24.3	-176	298,400	94.6
75,000 to 100,000	86,900	5.8	-16,416,000	8.0	-189	92,100	94.4
100,000 to 200,000	49,800	3.3	-9,639,000	4.7	-194	53,600	92.9
200,000 to 300,000	8,200	0.5	-1,607,000	0.8	-196	9,000	91.1
300,000 and Over	7,400	0.5	-1,462,000	0.7	-198	8,600	86.0
TOTALS	1,501,400	100.0%	-$204,296,000	100.0%	-$136	2,373,500	63.3%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1.5 million taxpayers, or 63.3% of all taxpayers, would receive a tax benefit from the one-time PTRC.

• 62.4% of the credit would be received by taxpayers with income between $30,000 and $100,000. These taxpayers account for 52.8% of all taxpayers with a tax benefit.

• The average tax benefit increases from $19 for taxpayers with income below $5,000 to $198 for taxpayers with income above $300,000. The average tax benefit for all taxpayers would be $136.

• Over 74.3% of all taxpayers with income above $15,000 would have a tax benefit from the proposed credit. Taxpayers who do not pay property taxes or rent, taxfilers who do not have a tax liability under current law and some taxpayers who pay the alternative minimum tax would not benefit from the credit.

ATTACHMENT 5

Credit Amounts Under Current Law and Alternative One-Time PTRCs for Certain Property Tax Amounts

Property Tax	Current Law	Alternative 3	Alternative 4
$1,000	$100	$150	$200
1,100	110	165	220
1,200	120	180	240
1,300	130	195	260
1,400	140	210	280
1,500	150	225	300
1,600	160	240	320
1,700	170	255	340
1,800	180	270	360
1,900	190	285	380
2,000	200	300	400
2,100	200	315	400
2,200	200	330	400
2,300	200	345	400
2,400	200	360	400
2,500	200	375	400
2,600	200	390	400
2,700	200	405	400
2,800	200	420	400
2,900	200	435	400
3,000	200	450	400

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Individual Income Tax -- Indexing (General Fund Taxes)

CURRENT LAW

The current state individual income tax brackets, sliding scale standard deduction and tax credits are not indexed to adjust for inflation.

GOVERNOR

No provision.

DISCUSSION POINTS

Background

1. Chapter 1, Laws of 1979, provided for the annual adjustment of the individual income tax brackets to reflect increases in the consumer price index (CPI) to a maximum of 10%, rounded to the nearest $100. Specifically, changes were made based on changes in the U.S. CPI for all urban consumers, U.S. city average, between June of the current year and June of the previous year, as determined by the U.S. Department of Labor. Three indexing adjustments were made to the tax brackets: 10% in 1980, 9.6% in 1981, and 7.1% in 1982.

2. The 1983-85 biennial budget (1983 Wisconsin Act 27) modified the indexing provisions. First, indexing adjustments were suspended for the 1983, 1984 and 1985 tax years. Both the income tax brackets and standard deduction were to be adjusted when indexing was to resume in tax year 1986. Second, future increases were to be based on increases in CPI, minus

3%, to a maximum annual adjustment of 7%, in $10 increments. This indexing provision was deleted in 1987 Wisconsin Act 27 prior to being implemented.

3. Since state income tax brackets are not adjusted for inflation, an individual whose income keeps pace with inflation would move into a higher marginal tax bracket over time, and their standard deduction could be smaller as well, if they were in the phase-out range of income for the deduction. As a result, a larger portion of that person's income would be paid in taxes although their real income has not changed. In addition, fixed amounts such as the standard deduction and tax credits decrease in value in real terms.

4. Opponents of indexing argue that indexing could cause budgetary complications during periods of recession since income tax revenues would grow at a slower pace than without indexing. If the tax structure is indexed during a recession and certain program costs rise due to increased unemployment, additional funds may be needed for these programs.

5. At the federal level, the income tax brackets, standard deduction and personal exemption are adjusted annually for increases in inflation. Other components of the federal income tax, such as phase-out income limits for certain deductions and tax credits, are also indexed. In addition, of the 44 states that impose an income tax, seven (California, Maine, Michigan, Minnesota, Montana, Oregon and South Carolina) adjust the tax brackets, personal exemption or standard deduction for inflation. One state (Nebraska) indexes the personal exemption amounts only.

Current Individual Income Tax Structure

6. The current law sliding scale standard deduction formulas are shown below. The standard deduction is subtracted from Wisconsin adjusted gross income (AGI) to determine the amount of taxable income, or the amount of income actually subject to tax. The existing formulas for single, married-joint and married-separate taxpayers have been in effect since tax year 1988. The head-of-household standard deduction was provided beginning in tax year 1994.

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $7,500	$5,200
	WAGI between $7,500 and $50,830	$5,200 - [12.001% x (WAGI - $7,500)]
	WAGI greater than $50,830	$0
Married-Joint	WAGI less than $10,000	$8,900
	WAGI between $10,000 and $55,000	$8,900 - [19.778% x (WAGI - $10,000)]
	WAGI greater than $55,000	$0
Married-Separate	WAGI less than $4,750	$4,230
	WAGI between $4,750 and $26,140	$4,230 - [19.776% x (WAGI - $4,750)]
	WAGI greater than $26,140	$0
Head-of-Household	WAGI less than $7,500	$7,040
	WAGI between $7,500 and $25,000	$7,040 - [22.514% x (WAGI - $7,500)]
	WAGI greater than $25,000	Single Standard Deduction

The tax rates and brackets are applied to taxable income to calculate gross tax, which is the amount of tax prior to subtraction of the credits. The current law rates and brackets are outlined below. This structure has been in place since tax year 1987.

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $7,500	Less than $10,000	Less than $5,000	4.90%
7,500 to 15,000	10,000 to 20,000	5,000 to 10,000	6.55
15,000 and Over	20,000 and Over	10,000 and Over	6.93

The state's individual income tax generated $4.18 billion in 1995-96. Individual income tax collections are estimated to be $4.55 billion in 1996-97, $4.81 billion in 1997-98 and $5.07 billion in 1998-99.

Adjust Tax Structure for Changes in Inflation Beginning in Tax Year 1997

7. The following section shows the standard deduction formulas and income tax brackets if the standard deduction income amounts and maximum deduction amounts and the income tax brackets are adjusted for inflation beginning in tax year 1997. The adjustments reflect projected changes in the CPI, rounded to the nearest $10.

1997 Projection

Standard Deduction

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $7,700	$5,340
	WAGI between $7,700 and $52,150	$5,340 - [12.013% x (WAGI - $7,700)]
	WAGI greater than $52,150	$0
Married-Joint	WAGI less than $10,260	$9,130
	WAGI between $10,260 and $56,430	$9,130 - [19.775% x (WAGI - $10,260)]
	WAGI greater than $56,430	$0
Married-Separate	WAGI less than $4,870	$4,340
	WAGI between $4,870 and $26,820	$4,340 - [19.772% x (WAGI - $4,870)]
	WAGI greater than $26,820	$0
Head-of-Household	WAGI less than $7,700	$7,220
	WAGI between $7,700 and $25,650	$7,220 - [22.487% x (WAGI - $7,700)]
	WAGI greater than $25,650	Single Standard Deduction

Rate and Bracket Structure

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $7,700	Less than $10,260	Less than $5,130	4.90%
7,700 to 15,390	10,260 to 20,520	5,130 to 10,260	6.55
15,390 and Over	20,520 and Over	10,260 and Over	6.93

1998 Projection

Standard Deduction

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $7,900	$5,480
	WAGI between $7,900 and $53,510	$5,480 - [12.015% x (WAGI - $7,900)]
	WAGI greater than $53,510	$0
Married-Joint	WAGI less than $10,530	$9,370
	WAGI between $10,530 and $57,900	$9,370 - [19.78% x (WAGI - $10,530)]
	WAGI greater than $57,900	$0
Married-Separate	WAGI less than $5,000	$4,450
	WAGI between $5,000 and $27,520	$4,450 - [19.76% x (WAGI - $5,000)]
	WAGI greater than $27,520	$0
Head-of-Household	WAGI less than $7,900	$7,410
	WAGI between $7,900 and $26,320	$7,410 - [22.493% x (WAGI - $7,900)]
	WAGI greater than $26,320	Single Standard Deduction

Rate and Bracket Structure

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $7,900	Less than $10,530	Less than $5,270	4.90%
7,900 to 15,790	10,530 to 21,050	5,270 to 10,530	6.55
15,790 and Over	21,050 and Over	10,530 and Over	6.93

It is estimated that if the standard deduction and tax brackets shown above were in effect, individual income tax revenues would decrease by $28.0 million in tax year 1997 and by $60.0 million in tax year 1997. However, on a fiscal year basis, the revenue loss would be greater due to changes in the withholding tables. For example, the 1997-98 fiscal year would reflect the entire cost of indexing for tax year 1997, assuming an effective date after July 1, 1997. In addition, taxes withheld for the first half of tax year 1998 would affect revenues for the 1997-98 fiscal year. The cost for the 1998-99 fiscal year would include taxes withheld for the last half of tax year 1998, tax payments with returns for 1998 and withheld taxes for the first half of tax year 1999. As a result, the estimated cost of this proposal would be $55.0 million in 1997-98 and $78.0 million in 1998-99.

8. Attachment 1 shows distributional information on the effect of indexing on taxpayers in tax year 1998 if indexing was effective beginning in tax year 1997. The information is based on the 1995 Wisconsin tax sample, which has data from over 20,000 individual income tax returns, weighted to reflect all taxpayers in 1995. However, changes in the number of

taxpayers and the kinds and amounts of income they claim over time cannot be shown. To the extent possible, changes in tax laws between 1995 and later years have been included. The amounts shown in Attachment 1 and estimated fiscal effects differ because the attachment reflects 1995 data and the fiscal effects are for the 1997-99 biennium.

9. As indicated above, the cost of indexing the standard deduction and tax brackets for inflation would increase each year compared to current law. This occurs because, with each additional inflation adjustment, the difference between the current tax structure and the indexed tax structure becomes greater. Therefore, proposals to index the income tax have the effect of decreasing revenues immediately and reducing the future growth of tax collections. In essence, the fiscal effect of indexing compounds over time. In contrast, "one-time" changes, such as an across-the-board reduction in tax rates or an increase in the standard deduction, result in decreased tax revenues, but do not reduce the long-term growth rate of tax collections after the year of enactment.

10. The estimates presented in this paper reflect projections of inflation between 2.5% and 3.0% over the next several years. The cost of indexing would be higher in periods of high inflation. Likewise, if inflation is lower than projected, the cost of indexing would be reduced.

Index for Changes in Inflation Since the Current Structure was Implemented

11. A second option would be to index the tax structure for the total change in inflation that has occurred since the components of the tax were last modified. The projected sliding scale standard deduction and tax brackets under this alternative are outlined below.

Tax Year 1997 Projection

Standard Deduction

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $10,200	$7,070
	WAGI between $10,200 and $69,110	$7,070 - [12.001% x (WAGI - $10,200)]
	WAGI greater than $69,110	$0
Married-Joint	WAGI less than $13,600	$12,100
	WAGI between $13,600 and $74,780	$12,100 - [19.778% x (WAGI - $13,600)]
	WAGI greater than $74,780	$0
Married-Separate	WAGI less than $6,460	$5,750
	WAGI between $6,460 and $35,540	$5,750 - [19.773% x (WAGI - $6,460)]
	WAGI greater than $35,540	$0
Head-of-Household	WAGI less than $10,200	$9,570
	WAGI between $10,200 and $33,990	$9,570 - [22.510% x (WAGI - $10,200)]
	WAGI greater than $33,990	Single Standard Deduction

Rate and Bracket Structure

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $10,620	Less than $14,160	Less than $7,080	4.90%
10,620 to 21,230	14,160 to 28,310	7,080 to 14,160	6.55
21,230 and Over	28,310 and Over	14,160 and Over	6.93

1998 Projection

Standard Deduction

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $10,470	$7,250
	WAGI between $10,470 and $70,910	$7,250 - [11.995% x (WAGI - $10,470)]
	WAGI greater than $70,910	$0
Married-Joint	WAGI less than $13,950	$12,410
	WAGI between $13,950 and $76,720	$12,410 - [19.771% x (WAGI - $13,950)]
	WAGI greater than $76,720	$0
Married-Separate	WAGI less than $6,630	$5,900
	WAGI between $6,630 and $36,460	$5,900 - [19.779% x (WAGI - $6,630)]
	WAGI greater than $36,460	$0
Head-of-Household	WAGI less than $10,470	$9,820
	WAGI between $10,470 and $34,870	$9,820 - [22.528% x (WAGI - $10,470)]
	WAGI greater than $34,870	Single Standard Deduction

Rate and Bracket Structure

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $10,900	Less than $14,530	Less than $7,270	4.90%
10,900 to 21,790	14,530 to 29,050	7,270 to 14,530	6.55
21,790 and Over	29,050 and Over	14,530 and Over	6.93

12. The standard deduction formulas for 1997 reflect a 35.97% increase in the AGI and maximum deduction amounts; the tax brackets reflect a 41.55% increase. These increases are the cumulative adjustments attributable to changes in CPI since 1988 and 1987, respectively.

13. If the above standard deduction formulas and tax brackets were in effect for tax years 1997 and 1998, projected individual income tax revenues would be $616.0 million lower in 1997-98 and $502.8 million lower in 1998-99 than currently estimated. The 1997-98 projected cost would exceed the 1998-99 estimate because there would be a one-time cost associated with the large indexing adjustment for tax year 1997. Attachment 2 shows distributional information for tax year 1998 if the income tax structure was indexed for changes in inflation since the current tax structure was implemented.

Index Since the Current Structure was Implemented -- 1983 Act 27 Indexing Law

14. The following section describes the changes in the tax structure if the tax brackets and standard deduction would be adjusted for inflation using the indexing provisions established in 1983 Act 27 (based on increases in CPI, minus 3%, to a maximum annual adjustment of 7%, in $10 increments). For purposes of these estimates, the adjustments are made from the time the existing tax structure was first implemented. The standard deduction formulas for tax years 1997 and 1998 would be as shown below if they had been adjusted for inflation since 1988. The income tax brackets reflect increases since the current bracket structure was established in 1987. There would be no change between 1997 and 1998 because the expected change in the CPI is less than 3%.

Tax Years 1997 and 1998 Projections

Standard Deduction

Marital Status	Wisconsin AGI	Standard Deduction
Single	WAGI less than $7,910	$5,490
	WAGI between $7,910 and $53,620	$5,490 - [12.011% x (WAGI - $7,910)]
	WAGI greater than $53,620	$0
Married-Joint	WAGI less than $10,550	$9,390
	WAGI between $10,550 and $58,020	$9,390 - [19.781% x (WAGI - $10,550)]
	WAGI greater than $58,020	$0
Married-Separate	WAGI less than $5,010	$4,460
	WAGI between $5,010 and $27,580	$4,460 - [19.761% x (WAGI - $5,010)]
	WAGI greater than $27,580	$0
Head-of-Household	WAGI less than $7,910	$7,430
	WAGI between $7,910 and $26,370	$7,430 - [22.520% x (WAGI - $7,910)]
	WAGI greater than $26,370	Single Standard Deduction

Rate and Bracket Structure

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $8,000	Less than $10,670	Less than $5,330	4.90%
8,000 to 16,000	10,670 to 21,330	5,330 to 10,670	6.55
16,000 and Over	21,330 and Over	10,670 and Over	6.93

15. The standard deduction formulas reflect a 5.49% increase and the tax brackets reflect a 6.65% increase. The 5.49% and 6.65% increases are the cumulative adjustments attributable to changes in CPI that exceed 3% since 1988 and 1987, respectively. Since 1991, the annual increases in the CPI have been less than 3%.

16. It is estimated that if the above standard deduction formulas and tax brackets were in effect for tax years 1997 and 1998, individual income tax revenues would be $93.1 million lower in 1997-98 and $68.4 million lower in 1998-99 than currently estimated. The fiscal estimate is lower in 1998-99 than in 1997-98 under this alternative because it is projected that there would be no indexing adjustment in tax years 1998 and 1999. Attachment 3 shows distributional information, from the 1995 sample, for tax year 1998 if the tax structure were adjusted for changes in inflation, using the 1983 Act 27 indexing provisions, since the current tax structure was implemented.

17. By adjusting the tax structure for changes in inflation that exceed 3%, the tax structure would not change during periods of low inflation, which is currently the case. During

periods when inflation exceeds 3% per year, inflation adjustments would only reflect increases in the CPI that exceed 3%. On the other hand, limiting the adjustment to a maximum of 7% slows the rate of indexing, and corresponding reduction in revenue growth, during periods of high inflation.

18. Economists have reported that the CPI may overstate changes in the cost of living. The projected bias has ranged greatly, although an advisory commission appointed by the U.S. Senate Finance Committee has estimated that the CPI has had a bias of 1.5% in recent years and has projected a bias of 1% in the future. As a result of the commission's findings, the Bureau of Labor Statistics, in the U.S. Department of Labor, has adopted the production of a cost-of-living index as an objective in measuring consumer prices. The intent of the cost-of-living index would be to more accurately reflect improvements in the quality of items purchased and changes in consumer buying patterns.

19. Based on the commission's findings, subtracting some amount (such as 3%) from CPI when making an inflation adjustment could be viewed as appropriate. However, such an approach could also warrant review in the future when the Bureau of Labor Statistics begins to produce a cost-of-living index.

20. Another option would be to begin indexing the standard deduction and tax brackets for changes in inflation in tax year 1997, using the 1983 indexing law (CPI, minus 3%, to a maximum annual adjustment of 7%, in $10 increments). However, since inflation is currently projected to be less than 3% for 1997 and 1998, there would be no impact on revenues in the 1997-99 biennium.

Adjust Income Tax Credits for Changes in Inflation

21. The state provides a number of tax credits that are based on statutorily set dollar amounts. These amounts could also be indexed for changes in inflation beginning in tax year 1997. Credits are subtracted from gross tax to determine net tax liability. The following points briefly describe the credits that could be indexed for changes in inflation. If all of the credits were adjusted for inflation, revenues would be reduced by an estimated $6.4 million in 1997-98 and $13.7 million in 1998-99, assuming no other changes to the tax structure. The cost of indexing all of these credits is lower than the sum of the costs of indexing individual credits, because there would be additional unused credits if all of the credits were indexed.

• Dependent Credit. A $50 credit has been provided for each dependent since 1986. If indexed for inflation, the credit would be $51 in 1997 and $52 in 1998. This would increase the cost of the credit by an estimated $1.2 million in 1997-98 and $2.7 million in 1998-99.

• Senior Credit. Since 1986, a $25 credit has been allowed for taxpayers age 65 or older. The credit would be $26 in 1997 and $27 in 1998 if adjusted annually for inflation. This would increase the cost by an estimated $300,000 in 1997-98 and $700,000 in 1998-99.

• Married Couple Credit. Two-earner married couples are eligible for a married couple credit equal to 2% of the earned income of the secondary wage earner, up to a maximum of $15,000 in income (the current maximum income amount has been in place since 1989). The maximum credit is $300. The maximum income amount could be indexed and would equal $15,390 in 1997 and $15,790 in 1998; the maximum credit would equal $308 in 1997 and $316 in 1998. This would increase the cost of the credit by an estimated $2.7 million in 1997-98 and $5.5 million in 1998-99.

• Property Tax/Rent Credit. A property tax/rent credit (PTRC) equal to 10% of property taxes, or rent constituting property taxes, paid on a principal residence up to a maximum amount of property taxes of $2,000 is provided (the $2,000 maximum was established in 1987); the maximum credit is $200. If the maximum property tax amount were adjusted for inflation it would equal $2,050 in 1997 and $2,100 in 1998; the maximum credit would be $205 in 1997 and $210 in 1998. This would increase the cost of the credit by an estimated $2.7 million in 1997-98 and $5.5 million in 1998-99.

• Itemized Deduction Tax Credit. The itemized deduction credit is 5% of the difference between allowable itemized deductions and the standard deduction; the credit would be adjusted for inflation indirectly if the standard deduction is indexed. Because indexing would increase the amount of the standard deduction, the cost of the itemized deduction credit would decline.

ALTERNATIVES TO BILL

1. Index the standard deduction and income tax brackets for changes in inflation beginning in tax year 1997. This would decrease general fund tax collections by an estimated $55.0 million in 1997-98 and by $78.0 million in 1998-99.

Alternative 1	GPR
1997-99 REVENUE (Change to Bill)	- $133,000,000

2. Index the income tax structure for changes in inflation since 1987 for the income tax brackets and since 1988 for the standard deduction. This would decrease general fund tax collections by an estimated $616.0 million in 1997-98 and $502.8 million in 1998-99.

Alternative 2	GPR
1997-99 REVENUE (Change to Bill)	- $1,118,800,000

3. Index the income tax structure for changes in inflation exceeding 3%, but not more than 7%, since 1987 for the income tax brackets and since 1988 for the standard deduction. This would decrease estimated general fund tax collections by $93.1 million in 1997-98 and $68.4 million in 1998-99.

Alternative 3	GPR
1997-99 REVENUE (Change to Bill)	- $161,500,000

4. Index the income tax structure for changes in inflation exceeding 3%, but not more than 7%, beginning in tax year 1997. This alternative is estimated to have no impact on revenues in the 1997-99 biennium since inflation is currently projected to be less than 3% for tax years 1997 through 1999.

5. Index one or all of the following tax credits for changes in inflation beginning in tax year 1997. The fiscal effects for these options assume that the rest of the tax structure would not be modified. The fiscal impact of indexing individual credits would decline if other indexing adjustments were also adopted.

a. Index the $50 dependent credit.

Alternative 5a	GPR
1997-99 REVENUE (Change to Bill)	- $3,900,000

b. Index the $25 senior credit.

Alternative 5b	GPR
1997-99 REVENUE (Change to Bill)	- $1,000,000

c. Index the $15,000 maximum income amount for the married couple credit.

Alternative 5c	GPR
1997-99 REVENUE (Change to Bill)	- $8,200,000

d. Index the $2,000 maximum property tax amount for the PTRC.

Alternative 5d	GPR
1997-99 REVENUE (Change to Bill)	- $8,200,000

Prepared by: Kelsie Doty

MO#_____

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE_____ NO _____ ABS_____

ATTACHMENT 1

Distribution of Taxpayers with a Tax Decrease in 1998 Under an Alternative to Index for Inflation Beginning in 1997

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease					Count of All Returns	% of All Returns in AGI Class
	Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease		
Under $5,000	12,800	0.7%	-$54,000	0.1%	-$4	363,200	3.5%
5,000 to 10,000	161,000	8.6	-2,267,000	4.6	-14	282,500	57.0
10,000 to 15,000	212,500	11.4	-4,844,000	9.8	-23	247,700	85.8
15,000 to 20,000	216,400	11.6	-6,724,000	13.6	-31	218,200	99.2
20,000 to 25,000	182,500	9.8	-6,504,000	13.2	-36	182,600	99.9
25,000 to 30,000	151,000	8.1	-5,384,000	10.9	-36	151,400	99.7
30,000 to 40,000	255,000	13.7	-9,301,000	18.8	-36	255,000	100.0
40,000 to 50,000	211,200	11.4	-6,968,000	14.1	-33	211,200	100.0
50,000 to 75,000	298,200	16.0	-5,399,000	10.9	-18	298,400	99.9
75,000 to 100,000	92,000	4.9	-1,152,000	2.3	-13	92,100	99.9
100,000 to 200,000	53,400	2.9	-666,000	1.3	-12	53,600	99.6
200,000 to 300,000	8,800	0.5	-110,000	0.2	-13	9,000	97.8
300,000 and Over	8,100	0.4	-100,000	0.2	-12	8,600	94.2
TOTALS	1,862,900	100.0%	-$49,473,000	100.0%	-$27	2,373,500	78.5%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1,862,900 taxpayers, or 78.5% of all taxpayers, would have a tax decrease under this alternative.

• Most of the tax decrease (81.5%) would be received by taxpayers with AGI between $15,000 and $75,000. These individuals make up 70.6% of the total count of taxpayers with a tax decrease.

• The average tax decrease would range from $4 for taxpayers with income below $5,000 to $36 for taxpayers with income between $20,000 and $40,000. Overall, the average tax decrease would be $27.

• Over 99% of all taxpayers with income between $15,000 and $200,000 would have a tax benefit under the alternative. The taxpayers who would not receive a benefit from indexing include people who have no tax liability under current law, those who pay the alternative minimum tax or certain individuals who can be claimed as a dependent on another taxpayer's return.

ATTACHMENT 2

Distribution of Taxpayers with a Tax Decrease in 1998 Under an Alternative to Index Since the Current Tax Structure was Implemented

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease: Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease	Count of All Returns	% of All Returns in AGI Class
Under $5,000	16,200	0.9%	-$328,000	0.1%	-$20	363,200	4.5%
5,000 to 10,000	162,600	8.7	-11,489,000	3.0	-71	282,500	57.6
10,000 to 15,000	213,300	11.4	-26,522,000	6.9	-124	247,700	86.1
15,000 to 20,000	216,800	11.6	-45,037,000	11.6	-208	218,200	99.4
20,000 to 25,000	182,500	9.8	-45,940,000	11.9	-252	182,600	99.9
25,000 to 30,000	151,000	8.1	-41,691,000	10.8	-276	151,400	99.7
30,000 to 40,000	255,000	13.6	-76,209,000	19.7	-299	255,000	100.0
40,000 to 50,000	211,200	11.3	-61,525,000	15.9	-291	211,200	100.0
50,000 to 75,000	298,200	15.9	-60,559,000	15.6	-203	298,400	99.9
75,000 to 100,000	92,000	4.9	-9,908,000	2.6	-108	92,100	99.9
100,000 to 200,000	53,400	2.9	-5,706,000	1.5	-107	53,600	99.6
200,000 to 300,000	8,800	0.5	-941,000	0.2	-107	9,000	97.8
300,000 and Over	8,100	0.4	-860,000	0.2	-106	8,600	94.2
TOTALS	1,869,100	100.0%	-$386,715,000	100.0%	-$207	2,373,500	78.7%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1,869,100 taxpayers, or 78.7% of all taxpayers, would have a tax decrease under the alternative.

• 85.5% of the tax decrease would be received by taxpayers with AGI between $15,000 and $75,000. These individuals make up 70.3% of the total count of taxpayers with a tax decrease.

• The average tax decrease would range from $20 for taxpayers with income below $5,000 to $299 for taxpayers with income between $30,000 and $40,000. The average tax decrease for all taxpayers would be $207.

• Over 99% of all taxpayers with income between $15,000 and $200,000 would have a tax benefit under the alternative. The taxpayers who would not receive a benefit from indexing include people who have no tax liability under current law, those who pay the alternative minimum tax or certain individuals who can be claimed as a dependent on another taxpayer's return.

ATTACHMENT 3

Distribution of Taxpayers with a Tax Decrease in 1998 Under an Alternative to Index Since the Current Tax Structure was Implemented Using the 1983 Law

Wisconsin Adjusted Gross Income	Taxpayers With a Tax Decrease					Count of All Returns	% of All Returns in AGI Class
	Count	Percent of Count	Amount of Tax Decrease	Percent of Amount	Average Decrease		
Under $5,000	12,800	0.7%	-$57,000	0.1%	-$4	363,200	3.5%
5,000 to 10,000	161,000	8.6	-2,348,000	4.3	-15	282,500	57.0
10,000 to 15,000	212,400	11.4	-5,119,000	9.3	-24	247,700	85.7
15,000 to 20,000	216,400	11.6	-7,239,000	13.2	-33	218,200	99.2
20,000 to 25,000	182,500	9.8	-7,129,000	13.0	-39	182,600	99.9
25,000 to 30,000	151,000	8.1	-5,929,000	10.8	-39	151,400	99.7
30,000 to 40,000	255,000	13.7	-10,319,000	18.8	-40	255,000	100.0
40,000 to 50,000	211,200	11.4	-7,821,000	14.2	-37	211,200	100.0
50,000 to 75,000	298,200	16.0	-6,466,000	11.8	-22	298,400	99.9
75,000 to 100,000	92,000	4.9	-1,456,000	2.6	-16	92,100	99.9
100,000 to 200,000	53,400	2.9	-843,000	1.5	-16	53,600	99.6
200,000 to 300,000	8,800	0.5	-139,000	0.2	-16	9,000	97.8
300,000 and Over	8,100	0.4	-127,000	0.2	-16	8,600	94.2
TOTALS	1,862,800	100.0%	-$54,992,000	100.0%	-$30	2,373,500	78.5%

SOURCE: 1995 Wisconsin Tax Sample

• Approximately 1,862,800 taxpayers, or 78.5% of all taxpayers, would have a tax decrease under the alternative.

• 81.8% of the tax decrease would be received by taxpayers with AGI between $15,000 and $75,000. These individuals make up 70.6% of the total count of taxpayers with a tax decrease.

• The average tax decrease would range from $4 for taxpayers with income below $5,000 to $40 for taxpayers with income between $30,000 and $40,000. The average tax decrease for all taxpayers would be $30.

• Over 99% of all taxpayers with income between $15,000 and $200,000 would have a tax benefit under the alternative. The taxpayers who would not receive a benefit from indexing include people who have no tax liability under current law, those who pay the alternative minimum tax or certain individuals who can be claimed as a dependent on another taxpayer's return.

Senator Wineke

GENERAL FUND TAXES

Individual Income Tax -- Alternative Tax Structure

Motion:

Move to modify the calculation of Wisconsin adjusted gross income (AGI), the sliding scale standard deduction, the rate and bracket structure and the tax credits, effective January 1, 1997, as follows:

Capital Gains and Social Security Benefits. Federalize the tax treatment of capital gains and losses and the treatment of social security benefits.

Sliding Scale Standard Deduction. Modify the sliding scale standard deduction formulas as shown below for tax year 1997. Index the maximum deduction amounts and AGI amounts for changes in the consumer price index (CPI) beginning with tax year 1999.

Marital Status	Wisconsin AGI	Standard Deduction
Single	AGI less than $10,000	$7,500
	AGI between $10,000 and $50,830	$7,500 - [18.369% x (AGI - $10,000)]
	AGI greater than $50,830	$0
Married-Joint	AGI less than $15,000	$10,000
	AGI between $15,000 and $55,000	$10,000 - [25% x (AGI - $15,000)]
	AGI greater than $55,000	$0
Married-Separate	AGI less than $7,130	$4,750
	AGI between $7,130 and $26,140	$4,750 - [24.987% x (AGI - $7,130)]
	AGI greater than $26,140	$0
Head-of-Household	AGI less than $10,000	$10,160
	AGI between $10,000 and $25,000	$10,160 - [36.102% x (AGI - $10,000)]
	AGI greater than $25,000	Single Standard Deduction

Rates and Brackets. Create and a fourth and fifth tax bracket and modify the rates as shown below for tax year 1997. Index the bracket amounts for changes in the CPI beginning with tax year 1999.

Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $7,500	Less than $10,000	Less than $5,000	4.0%
7,500 to 15,000	10,000 to 20,000	5,000 to 10,000	5.0
15,000 to 45,000	20,000 to 60,000	10,000 to 30,000	6.0
45,000 to 60,000	60,000 to 80,000	30,000 to 40,000	7.0
60,000 and Over	80,000 and Over	40,000 and Over	8.0

Tax Credits. Eliminate the dependent credit, senior credit, married couple credit and the property tax/rent credit. Modify the allowable deductions for the itemized deduction credit to include: (a) interest expenses for a principal residence or a second home in Wisconsin; and (b) charitable contributions.

Note:

Under the motion, modifications would be made to the calculation of Wisconsin AGI, the sliding scale standard deduction, the rate and bracket structure and the tax credits using the provisions contained in 1995 Senate Bill 167, beginning with tax year 1997. In addition, the standard deduction formulas and tax brackets would be indexed for changes in CPI beginning with tax year 1999. It is estimated that the alternative income tax structure would generate approximately the same amount of revenue as current law. A description of the modifications follows.

Modifications to Wisconsin AGI. Wisconsin uses federal AGI, adjusted by additions and subtractions required by Wisconsin law, to determine Wisconsin AGI. Currently, Wisconsin does not follow the federal tax treatment of capital gains and losses and social security benefits, as well as other types of income. As a result, affected taxpayers must, after federal AGI has been determined, make a calculation to find the amount of income subject to taxation in Wisconsin. Under the motion, the state would tax these two sources of income using the same federal tax treatment. A description of these sources of income and the current state and federal tax treatment follows:

Capital Gains/Losses. Under current law, Wisconsin provides an income tax exclusion for 60% of long-term capital gains, which are gains on assets held for at least one year. Short-term gains from assets held less than one year are taxed as ordinary income. The amount of net capital losses that may be used to offset ordinary income is limited to $500 annually, with the remainder carried forward to offset income in future years.

Under federal law, net capital gains are generally fully taxable regardless of how long the assets are held. However, long-term capital gains are subject to a maximum marginal tax rate

of 28% rather than the 39.6% top rate which applies to ordinary income. The amount of net capital losses that may be used to offset ordinary income is limited to $3,000 annually, with a carryforward. Special federal and state provisions apply to gains on the sale or exchange of a principal residence.

Social Security Benefits. Under current law, the state follows 1993 federal law and only taxes up to 50% of social security benefits. The federal taxation of social security increased to up to 85% of benefits beginning in tax year 1994.

Modifications to the Standard Deduction. Taxable income, which is the amount of income that is actually subject to tax, is computed by subtracting the sliding scale standard deduction from Wisconsin AGI. The sliding scale standard deduction is based on formulas that vary by filing status and adjusted gross income. The current law sliding scale standard deduction formulas are shown in the following table.

Marital Status	Wisconsin AGI	Standard Deduction
Single	AGI less than $7,500	$5,200
	AGI between $7,500 and $50,830	$5,200 - [12.0% x (AGI - $7,500)]
	AGI greater than $50,830	$0
Married-Joint	AGI less than $10,000	$8,900
	AGI between $10,000 and $55,000	$8,900 - [19.778% x (AGI - $10,000)]
	AGI greater than $55,000	$0
Married-Separate	AGI less than $4,750	$4,230
	AGI between $4,750 and $26,140	$4,230 - [19.778% x (AGI - $4,750)]
	AGI greater than $26,140	$0
Head-of-Household	AGI less than $7,500	$7,040
	AGI between $7,500 and $25,000	$7,040 - [22.515% x (AGI - $7,500)]
	AGI greater than $25,000	Single Standard Deduction

Modifications to the Rates and Brackets. Wisconsin taxable income is multiplied by the applicable tax rates to arrive at gross tax lability. The tax rate structure is cumulative so that marginal tax rates apply only to income that falls within the appropriate brackets. The current individual income tax rates and brackets are outlined below.

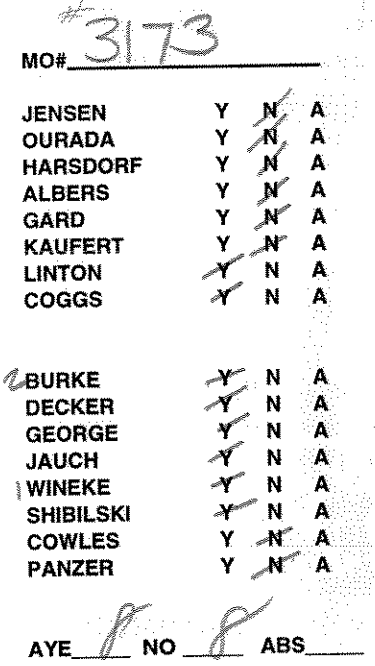
Taxable Income Bracket			Marginal
Single	Married-Joint	Married-Separate	Tax Rate
Less than $7,500	Less than $10,000	Less than $5,000	4.90%
7,500 to 15,000	10,000 to 20,000	5,000 to 10,000	6.55
15,000 and Over	20,000 and Over	10,000 and Over	6.93

Under the motion, a fourth and fifth bracket would be created and the rates would be modified.

Modifications to the Tax Credits. The motion would modify the current itemized deduction tax credit and eliminate the other nonrefundable credits, including: the dependent credit, senior credit, married couple credit and the property tax/rent credit. The refundable credits would not be affected by the motion.

Under current law, an itemized deduction tax credit is provided if allowable deductions exceed the sliding scale standard deduction; the excess amount is eligible for a tax credit of 5%. With the exception of state income taxes and state and local property taxes, allowable expenses used in calculating the state credit conform to the expenses permitted as federal itemized deductions. These include: (a) charitable contributions; (b) medical expenses exceeding 7.5% of AGI; (c) miscellaneous expenses, including employe business expenses, in excess of 2% of AGI; (d) interest expenses for a principal residence or a second home in Wisconsin; (e) interest expenses for property sold on a land contract; and (f) other interest expenses, except personal interest.

Under the motion, allowable deductions for the itemized deduction tax credit would be limited to include: (a) interest expenses for a principal residence or a second home in Wisconsin; and (b) charitable contributions. The credit would still equal 5% of the amount by which allowable deductions exceed the sliding scale standard deduction.



MO# #3173

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS

Senator Wineke

SHARED REVENUE AND PROPERTY TAX RELIEF

School Aids and Homestead Tax Credit

Motion:

Move the following:

School Aids. Delete $1.12 billion GPR in 1998-99 and reduce, from two-thirds to 50%, the statutory percentage of partial school revenues funded by the state. This provision would first apply to the appropriation estimate that is required to be certified to the Joint Committee on Finance on or before June 15, 1998.

Homestead Tax Credit. Provide $1.12 billion GPR in 1998-99 and modify the homestead tax credit formula factors as follows:

a. Increase the maximum income to $108,333 from the current $19,154;
b. Increase the maximum property tax (or rent constituting property taxes) to $5,000 from the current $1,450;
c. Increase the percent of property taxes reimbursed to 90% from the current 80%;
d. Increase the income threshold to $25,000 from the current $8,000; and
e. Lower the rate at which excessive income reduces the potential credit to 5.4% from the current 10.4%.

Provide that these changes would apply to any claim filed in 1999 and thereafter, based on property taxes (or rent constituting property taxes) accrued during the previous year.

Note:

This motion would reduce the state school aid percentage from two-thirds to 50% of partial school revenues to fund an expansion of the homestead tax credit program.

This motion is identical to Senate Bill 13. In its fiscal note on the bill, the Department of Revenue (DOR) estimates that there would be an additional one million claimants under the proposed expansion and, therefore, estimates ongoing administrative costs of $3.2 million GPR and 48.5 GPR positions annually and one-time costs for scanning equipment, software and other computer-related expenses of $4.3 million.

Motion #7068

VOTE OVER

MO# 7068

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 6 NO 10 ABS ____

GENERAL FUND TAXES

LFB Summary Items for Which No Issue Papers Have Been Prepared

Item #	Title
1	General Fund Tax Changes
8	Sales Tax Exemption for Plastic Sheeting Used in Farming
12	Federalize Treatment of Statutory Independent Contractors
14	Exempt Interest Paid on Bonds Issued by a Premier Resort Center

LFB Summary Items for Introduction as Separate Legislation

Item #	Title
17	Reciprocal Wine Shipments
18	Penalty for Frivolous Income Tax Return
19	Tax Appeals Commission -- Definition of Small Claims

MO# Items

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS ____

Senator Burke
Representative Jensen

WRAP-UP MOTION AND ADOPTION OF THE SUBSTITUTE AMENDMENT

Motion:

Move to adopt a substitute amendment incorporating all the Committee's changes to Senate Bill 77. Direct the Legislative Fiscal Bureau to have the substitute drafted. Provide that the Legislative Fiscal Bureau may, in the process of having the substitute drafted, incorporate any necessary technical corrections in funding, statutory language or cross references required to reconcile the various actions of the Committee and correctly reflect the Committee's intent.

Further, move to recommend the bill for passage as amended.

MO# 9799

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 10 NO 6 ABS

Motion #9799

1997-99 BUDGET PAPERS

Table of Contents
Thru June 4, 1997

Paper #	
	General Fund Taxes
100	Revenue Field Auditors
101	Integrated Tax System
102	Sales Tax Agreements with Direct Marketers
103	Sales Tax on Interstate Telecommunications That Terminate in This State
104	Sales Tax on Coin-Operated Laundries
105	Sales Tax on Telephone Answering Services
106	Sales Tax on Fabricated Building Units and Manufactured Buildings
107	Sales Tax on University Food Contracts
108	Reestimate Funding for the Earned Income Tax Credit
109	Individual Income Tax Treatment of Nonresidents and Part-Year Residents
110	Internal Revenue Code Update
111	Minor Policy and Technical Changes -- Tax Appeals Commission Filing Fee
112	Tax Amnesty Program
113	Utility Tax on Personal Communications Services
114	Minor Policy and Technical Changes -- Use Tax on Automobiles Used by Dealers
115	Increase Cigarette Tax
116	Individual Income Tax -- One-Time Credit
117	Individual Income Tax -- Indexing
	Administration -- Departmentwide
120	State Budget System Redesign
121	Contract Compliance Officer
122	Demographics Services
123	Shift of Positions Between Appropriations
	Administration -- Information Technology
130	Information Technology Processing Services Appropriation -- Increased Budget
131	Bureau of Justice Information Systems Staffing
132	Justice Information Systems
133	Information Technology Staffing -- Unallotted Reserve Salary Funding
134	Minor Policy and Technical Changes -- Transfer of IT Support Positions
135	Agency Strategic IT Plans -- Required 1997-98 Amendments

Paper #

Administration -- General Statutory Provisions

138 Payment of Stadium District Bills to DOA

139 State Energy Conservation Audits and Construction Projects

Administration -- Transfers and Modifications of Functions

140 Land Information Program

141 Land Information Board Grant Process

Administration -- Agency Services

144 State Copy Center Equipment for Tourism

145 Auditing Services Contract

146 Performance Evaluation Unit

147 Graphic Design Service

Administration -- Housing

Administration -- Office of Justice Assistance

Administration -- Attached Programs

157 National and Community Service Board -- Permanent Staff

158 Special and Executive Committees Appropriation -- Association Memberships

Adolescent Pregnancy Prevention and Pregnancy Services Board

160 Adolescent Pregnancy Prevention, Pregnancy and Parenting Services

Agriculture, Trade and Consumer Protection

165 Agrichemical Cleanup Grants

166 Agrichemical Cleanup Program -- Industrial Pesticides

167 Minor Policy and Technical Changes -- Discontinued Pesticide Products

168 Agrichemical Cleanup Program Changes

169 Animal Waste Management Grants

170 Gypsy Moth Control Program Staff

171 Food Inspection Program

172 Weights and Measures Inspection Program -- Liquid Petroleum Gas

Paper #

173 Agricultural Investment Aids -- Sustainable Agriculture Grants
174 County and District Fair Aids
175 Aids for Federal Dairy Policy Reform Activities
176 Program Revenue Reestimates

Arts Board
180 Funding Reduction

Board of Commissioners of Public Lands
185 Division of Trust Lands and Investments -- Treatment of Unencumbered Year-End Operating Balances
186 Division of Trust Lands and Investments -- Apportionment of Revenues from the Sale of Sunken Logs

Board on Aging and Long-Term Care
190 Ombudsman and Volunteer Coordinator Positions

Building Program
195 Increase of Enumeration Requirement to $500,000
196 Exceptions to Enumeration Requirement
197 Enumeration of Projects in 1999-2001 Biennium
198 Enumeration of Secure Treatment Center
199 Funding for Planning and Design of Projects
200 WISTAR Funding
201 Healthstar Funding
202 Moveable Equipment Master Lease
203 Local Inducements for State Building Projects
204 Construction Contract Bids
205 Bid Requirements for Projects Less Than $100,000
206 Percent-for-Art Program
207 State Fair Park Capital Budget
208 Nash Automobile Museum
209 Thompson Correctional Center Fence
210 Veterans Home Bonding Appropriations
211 Submission of the Capital Budget
212 Minor Policy and Technical Changes -- Adjustments to a Project Enumeration and Bonding Amounts
213 Minor Policy and Technical Modifications -- Debt Service on UW-Madison

Paper #

Athletic Facilities Maintenance
214 Minor Policy and Technical Modification -- Ethan Allen Gatehouse
215 Excess General Obligation Bonding
216 Debt Service Estimates

Child Abuse Neglect Prevention Board

Circuit Courts
225 Circuit Court Interpreters

Clean Water Fund
230 Biennial Finance Plan
231 Clean Water Fund Statutory Changes
232 Land Recycling Loan Program
233 Safe Drinking Water Loan Program

Commerce -- Departmentwide and Economic Development
240 GPR Appropriation Structure for Rural Economic Development Program, Wisconsin Development Fund and Community-Based Economic Development Program
241 Rural Economic Development (RED) Program
242 Funding for Forward Wisconsin
243 Moving Costs
244 Economic Development Promotion Funding
245 Wisconsin Development Fund -- Loan Origination Fee
246 Manufacturing Assessment Center
247 Community-Based Economic Development Program -- Venture Capital Development Projects/Funding Level
248 Minority Business Development Finance Program Modifications
249 Repeal Badger Fund and Badger Board and Create a Mining Economic Development Grant Program
250 Modifications to Physician and Health Care Provider Loan Assistance Programs
251 Development Zone Program Changes
252 Development Zones Tax Credits

Paper #

Commerce -- Building and Environmental Regulation

265 PECFA Awards
266 PECFA -- Expert Witness Costs
267 PECFA -- Home Heating Oil Award Set-Aside
268 PECFA -- Change in Remediation Activities
269 PECFA -- Interest Cost Reimbursement
270 PECFA -- Service Providers
271 PECFA -- Ineligible Costs
272 PECFA -- Aboveground Tank Eligibility
273 PECFA -- Eligibility for Non-Upgraded Tanks
274 PECFA -- Priority for Brownfields
275 Aviation Fuel Petroleum Inspection Fee Allowance

Compensation Reserves

Corrections -- Departmentwide

290 Rent
291 Information Technology Funding
292 Correctional Training Center
293 Community Confinement and Control Pilot

Corrections -- Adult Institutions

300 Inmate Population Adjustments
301 Prison Staffing and University Hospital Waiting Room Security
302 Supplies and Services -- 1995 Act 27 Reduction Offset
303 Minor Policy and Technical Changes -- Federal Contract Beds
304 Contract for Private Prison Space in Other States
305 Racine Youthful Offender Correctional Facility
306 Specialized Training and Employment Program
307 Private Industry/Prison Employment Program
308 Private Industry/Prison Employment Program Expansion
309 Badger State Industries
310 Minor Policy and Technical Changes -- Internal Services Charges

Corrections -- Community Corrections

315 Probation and Parole Caseload Growth
316 Residential Living Programs
317 St. John's Correctional Center Expansion

Paper #

Corrections -- Juvenile Corrections

320 Overview of Juvenile Population Projections and Daily Rates
321 Temporary Use of Prairie du Chien for Young Adults
322 Southern Oaks Girls School Staffing
323 Residential Alternate Care
324 Population-Related Cost Adjustments
325 Juvenile Corrective Sanctions Program Expansion
326 Aftercare Supervision
327 Funding Transfer to Mendota Juvenile Treatment Center
328 Secure Detention in State Juvenile Facilities
329 Juvenile Population Projections and Daily Rates
330 Youth Aids
331 Serious Juvenile Offender Program
332 Residential Alternate Care

Court of Appeals

340 Clerk of Court Staff

District Attorneys

345 Sexual Predator Prosecutors
346 Statutory Rape Prosecutor
347 Special Prosecutors
348 Additional Prosecutors

Educational Communications Board

Elections Board

355 Campaign Finance Filing Fee
356 Funding for Data Base Software Conversion and Electronic Campaign Finance Report Electronic Filing Enhancement

Employe Trust Funds

360 Minor Policy and Technical Changes
361 Information Technology Funding
362 Employe Health Insurance Data Collection Activities
363 Supplies and Services Cost Increases -- Mailing and Forms Production Volume Increases

Paper #

Employment Relations

370 Minor Policy and Technical Changes
371 Additional Collective Bargaining Position
372 Training Position Funding Conversion and Associated Expenditure Authority
373 Excess Division Administrator Appointment Authority

Employment Relations Commission

380 Base Level Position Reductions

Ethics Board

385 Ethics Board Funding Shift

Financial Institutions

390 Minor Policy and Technical Changes -- Standard Budget Adjustments
391 Credit Union Examiners
392 Small Business Information Center
393 Technology-Related Requests

Gaming Board

395 Eliminate Gaming Board
396 Indian Gaming Unclassified Director Position
397 Indian Gaming Unclassified Attorney Positions
398 Indian Gaming Classified and Project Positions

Governor

405 Minor Policy and Technical Changes -- Association Dues

Health and Family Services -- Departmentwide and Management and Technology

410 Miscellaneous Adjustments -- Care and Treatment Facilities Fuel and Utility Costs
411 Program Revenue and Segregated Funding Reestimates
412 Milwaukee Child Welfare and W-2 Liaison Position
413 DHFS Reorganization and Program Restructuring

Paper #

Health and Social Services -- Medical Assistance

420 Overview of Medical Assistance Program Expenditures
421 Medical Assistance Base Reestimate
422 Selected Provider Rate Increases
423 Nursing Home Rate Increases
424 Nursing Home Formula Adjustments
425 Nursing Homes -- Delicensing Beds and the Minimum Occupancy Standard
426 Intergovernmental Transfer Program
427 Reestimate of GPR Revenues From MA Reimbursement for the State Centers
428 County Support for Certain Residents at the State Centers
429 Emergency Medical Services (EMS) Rates
430 Dental Sealants
431 Case Management Services for Women Aged 45 through 64
432 Medical Assistance Copayments
433 Validation of Hospital DRG Claims
434 Medical Assistance Eligibility Unit
435 Medical Assistance Administrative Costs Resulting from Federal Welfare Reform
436 Federal Matching Rate for MEDS Contract

Health and Family Services -- Health

440 Women's Health Initiative -- Screening and Public Awareness
441 Women's Health Initiative -- Health Insurance Program for Uninsured Children
442 State Immunization Supplement
443 HIV/AIDS Insurance Program
444 HIV/AIDS Program Reestimate
445 Primary Health Care Service Grants
446 Women, Infants and Children Supplemental Food Program Grant Match
447 Abortion Publications
448 WisconCare

Health and Family Services -- Care and Treatment Facilities

455 Wisconsin Resource Center Staffing
456 Community Release Programs
457 State Centers -- Budget Reductions to Reflect CIP IA Placements Made During the 1995-97 Biennium
458 Mental Health Institutes -- Revised Funding Split
459 Variable Nonfood Costs
460 Deficits at the State Mental Health Institutes
461 Funding for Services Director at the Mendota Mental Health Institute

Paper #

Health and Family Services -- Children and Family Services and Supportive Living

462 Kinship Care Funding
463 Kinship Care Statutory Provisions
465 Overview of Milwaukee County Child Welfare Services
466 Community Aids Funding and Statutory Changes
467 Funding for the Community Options Program
468 Long-Term Care Single-Entry Point Pilot Program
469 Reestimate of Foster Care and Adoption Assistance Payments
470 Federal Foster Care and Adoption Assistance Reimbursement/Information Technology Infrastructure Support
471 Foster Parent Training
472 Special Needs Adoption Services
473 Transfer Community Intervention Program
474 Substance Abuse and Mental Health Block Grants
475 Drug Abuse Program Improvement Surcharge and the Alliance for a Drug-Free Wisconsin
476 Intoxicated Driver Program
477 Domestic Violence Programs
478 Milwaukee Child Welfare Services -- Funding Reestimate
479 Milwaukee Child Welfare -- MA Eligibility for Parents of Children in Child Protective System
480 Milwaukee Child Welfare -- Additional Funding Requests
481 Milwaukee Child Welfare -- County Contribution
482 Milwaukee Child Welfare -- Case Management
483 Milwaukee Child Welfare -- Quality Assurance
484 Milwaukee Child Welfare -- Site Selection Process

Higher Educational Aids Board

485 Wisconsin Higher Education Grant and Tuition Grant Programs
486 Academic Excellence Scholarship Program
487 Recreate Higher Educational Aids Board
488 Minor Policy and Technical Changes -- Student Loan Interest Appropriation

Historical Society

490 Transfers of Staff and Funding Under Standard Budget Adjustments
491 Northern Great Lakes Center
492 Unspecified Funding Reduction and Staff and Funding Reduction
493 Program and Segregated Revenue Reestimates
494 Minor Policy and Technical Changes

Paper #

Information Technology Investment Fund

500 Information Technology Investment Fund Operations

Insurance

505 Minor Policy and Technical Changes -- Create Administrative Services Unit and Appropriation
506 Information Technology Initiatives -- IT Contracting Costs
507 Information Technology Initiatives -- Records Imaging
508 Increased Staffing
509 Increase Travel Costs Funding
510 Expansion of Information Technology Internship Program
511 Increased Funding for Actuarial Services
512 HIRSP -- Program Modifications and Transfer

Investment Board

515 Investment Management Operating System
516 Bonus Compensation Funding and Eligibility Modifications
517 Leased Space Increases
518 Minor Policy and Technical Changes -- Increased LTE and Per Diem Funding
519 Charging Expenses to Current Income Accounts
520 Statutory Changes Regarding Senior Management Staff

Judicial Commission

Justice

530 Minor Policy and Technical Changes -- Removal of Noncontinuing Costs
531 Budget Reductions
532 DNA Crime Lab Initiative and Fee and Replace Federal Anti-Drug Program Funds
533 Victim/Witness Assistance -- Surcharge on Juveniles
534 Eliminate Bankruptcy Positions
535 Appeals Attorney -- Sexual Predators
536 Sheriff Fees in Real Estate Sales
537 Indian Law Initiative
538 Handgun Hotline Deficit
539 Minor Policy and Technical Changes -- Sexual Predator Prosecutors

Paper #

Legislature

540 Minor Policy and Technical Changes -- Standard Budget Adjustments
541 Base Level Funding Reductions -- Legislative Documents Appropriation
542 JFC Approval of Federal Block Grants
543 Replacement of Assembly Copiers
544 Dues Payments to National Associations
545 Commission on Uniform State Laws
546 Capitol Offices Relocation Appropriation

Lieutenant Governor

548 Minor Policy and Technical Changes -- Base Level Funding and Position Reductions

Lower Wisconsin State Riverway Board

Marquette Dental School

550 Dental Clinics Funding

Medical College of Wisconsin

554 Family Practice Residency Program

Military Affairs

555 National Guard Tuition Grant Program
556 Minor Policy and Technical Changes
557 Regional Emergency Response Teams Appropriation -- Level A Teams
558 Emergency Response Equipment Appropriation -- Level B Teams
559 Emergency Response Supplement Appropriation

Minnesota-Wisconsin Boundary Area Commission

Paper #

Miscellaneous Appropriations

565 Minor Policy and Technical Changes -- Operating Note Interest Cost Estimate
566 Terminal Tax Distribution

Natural Resources -- Departmentwide

575 Minor Policy and Technical Changes -- Agency Reorganization
576 Public Intervenor Support
577 Vehicle and Equipment Pools

Natural Resources -- Forests and Parks

580 Shift Stewardship Debt Service to Forestry Account
581 Forest Landowner Grant Program
582 Local Fire Department Equipment Assistance Grants
583 Highway Landscaping Initiative
584 Forest Landscape Ecology Research
585 Convert Pike Lake State Park to a Southern Forest Property
586 Campground Reservation System

Natural Resources -- Fish, Wildlife and Recreational Aids

595 Licensing Automation
596 Licensing Database Use and Fees
597 Parks Admission Fee Structure
598 Boat, Snowmobile and ATV Registration Automation
599 Lac du Flambeau Tribal Licensing and Registration Reciprocity
600 Urban Wildlife Specialist
601 State Snowmobile Recreation Program
602 Recreational Boating Projects Earmarked
603 Lake Superior Commercial Fishing License Retirement
604 Municipal Dam Repair and Removal Grant Program
605 Minor Policy and Technical Changes

Natural Resources -- Air, Waste and Contaminated Land

590 Overview of Recycling Funding Proposals
591 Recycling Market Development Board -- Commerce
592 Recycling Fund Transfer to General Fund
593 Municipal and County Recycling Grant Calculation
594 Recycling Staff Conversion
606 Brownfields Grant Program -- Commerce

Paper #

607 Brownfields Redevelopment Loan Guarantee Program -- WHEDA
608 Brownfields -- Funding Changes
609 Brownfields -- Property Affected by Offsite Discharges
610 Brownfields -- Voluntary Party Liability Limitation
611 Brownfields -- Exemption from Hazardous Substances Spills Law for Local Governments and Nonprofit Economic Development Corporations
612 Brownfields -- Lender Liability Exemption
613 Brownfields -- Civil Immunity for Lenders and Voluntary Parties
614 Brownfields -- Stewardship Funding Priority
615 Brownfields -- Spills Law Stepped Enforcement
616 Brownfields -- Delay Spills Law Cleanup Requirement
617 Air Quality Monitoring and Data Acquisition and Reporting System
618 Program Revenue Reestimate - Air Management, Asbestos Abatement
619 Air Management Permit Review Program Revenue Deficit
620 Environmental Management Account Condition, Vehicle Environmental Impact Fee and Spills Cleanup
621 Well Compensation Fee and Grants -- Water Quality
622 Nonmetallic Mining Reclamation
623 Safe Drinking Water Enforcement -- Water Quality

Natural Resources -- Stewardship

Natural Resources -- Water Quality

625 Nonpoint Source Pollution Abatement Program Changes
626 Nonpoint Source Program Funding
627 Nonpoint Segregated Funding -- Nonpoint Account Condition
628 Water Pollution Credit Trading
629 Permit Guarantee Program
630 Expedited Service for Permitees
631 Environmental Performance Council
632 Environmental Cooperation Program
633 Safe Drinking Water Loan Program Administration
634 Septage Management Funding Conversion
635 Wastewater Discharge Environmental Fees

Personnel Commission

Paper #

Program Supplements

639 CY 97 Health Insurance Premiums
640 Private Lease Space Supplements

Public Defender

645 Unspecified Budget Reductions
646 Sexual Predator Caseload
647 Sentencing Alternatives

Public Instruction

650 Residential Schools -- Maintenance Funding
651 Minor Policy and Technical Changes -- Residential Schools - Housing Maintenance
652 Supplies and Services and Unspecified Budget Reductions
653 Technical Modifications: Restore Statutory References to Department of Public Instruction
654 High School Graduation Examination
655 State Support for Elementary and Secondary Education
656 General Equalization Aids -- Procedure for Setting Funding Level
657 Two-Thirds Rather than 66.7% State Support
658 School District Revenue Limits -- School Districts with Changes in Pupil Enrollments
659 School District Revenue Limits - Maximum Allowable Revenue Increase
660 School District Revenue Limits -- Carryover of Unused Revenue Authority
661 School District Revenue Limits-- Low Revenue Adjustment
662 School District Revenue Limits -- Transfer of Service
663 School District Debt Service Costs
664 Student Achievement Guarantee in Education
665 School Tax Levy Credit
666 Aid for School Districts With Low-Income Students
667 State Tuition Payments Reestimate
668 Transfer of Certain School-to-Work Programs to DWD
669 Transfer of Certain AODA Programs from DPI to DHFS
670 Charter Schools -- Creation by Other Entities in the MPS District
671 Charter Schools -- Statewide Changes
672 Minor Policy and Technical Changes -- Postsecondary Enrollment Options Program
673 Postsecondary Enrollment Options Program -- UW and Private Colleges
674 Postsecondary Enrollment Options Program for Pupils Attending Technical Colleges
675 Reestimate of GPR Revenue from MA Reimbursement for School Based Services
676 Interdistrict School Choice Programs

Paper #

Public Service Commission

690 Increased Public Intervenor Funding
691 Consumer Complaint and Inquiry System
692 Executive Assistants for All Public Service Commissioners
693 Increased Assessment of Wisconsin Railroads to Fund Railroad Crossing Safety Improvements

Regulation and Licensing

700 Minor Policy and Technical Changes
701 Information Technology Initiatives
702 Revised Agency Credential Fees
703 Supplies and Services Cost Increases

Revenue -- Tax Administration

710 County Sales Tax Administration Appropriation Lapse
711 Telephone Tax Administration
712 Wisconsin Property Assessment Manual Update
713 Electronic Funds Transfer
714 Information Technical Funding

Revenue -- Lottery Administration

720 Overview of Lottery Resources and Their Relationship to Sales Revenue
721 Lottery Division Reorganization
722 Ticket Printing and On-Line Communication Costs
723 Retailer Compensation and Incentive Bonus
724 Lottery Television Broadcasts
725 Instant Ticket Vending Machines
726 Lottery Vendor Fees
727 Modification of Lottery Expense Limitation
728 Multijurisdictional Lotteries
729 Lottery Advertising
730 Lottery Credit -- Distribution Formula
731 Lottery Credit -- Precertification
732 Lottery Fund Condition

Secretary of State

Paper #

Shared Revenue and Property Tax Relief -- Direct Aid Payments

740 Direct Aid Payments -- Funding Level
741 Minimum and Maximum Payment Provisions
742 Payments for Municipal Services -- Garbage and Trash Disposal and Collection
743 Payments for Municipal Services -- Agency Chargebacks

Shared Revenue and Property Tax Relief -- Property Tax Credits

745 Transfers from Property Tax Relief Fund to General Fund
746 Homestead Tax Credit Reestimate
747 Homestead Tax Credit -- Definition of Household Income

Shared Revenue and Property Tax Relief -- Property Taxation

755 Environmental Remediation Tax Incremental Financing

Shared Revenue and Property Tax Relief -- Local Revenue Options

State Fair Park

State Treasurer

770 Unclaimed Property Program Printing and Advertising Costs
771 Minor Policy and Technical Changes
772 Staffing Modifications

Supreme Court

780 Circuit Court Automation Project
781 Information Technology
782 Law Library Book Inflation
783 Fees for the Sale of Court Documents
784 Personnel Specialist
785 District Court Administrative Staff -- Milwaukee County

Paper #

Technology for Educational Achievement in Wisconsin Board

790 Governance of TEACH Functions
791 GPR Block Grants to School Districts
792 Block Grants to School Districts from the Common School Fund for Educational Technology
793 Block Grants to CESAs for Educational Technology
794 Educational Technology Infrastructure Loans
795 Modifications to the Current Status and Purposes of the Universal Service Fund
796 Educational Telecommunications Access Program
797 Modify DOA Educational Technology Responsibilities
798 Minor Policy and Technical Changes

Tourism

800 Sponsorship of Tourism Publications
801 Rent Increases
802 Heritage Tourism Grants
803 Travel Information Centers -- LTE Funding
804 Licensing State Symbols, Surplus Property and County Associations
805 Milwaukee Symphony Radio Show

Transportation

810 Transportation Fund Condition Statement

Paper #

Transportation -- Transportation Finance

811 Transportation Infrastructure Loan Program
812 Federal Highway Aid
813 Revenue Bonding for Major Highway Construction and Administrative Facilities -- Bonding Authorization
814 Revenue Bonding for Major Highway Construction and Administrative Facilities -- Bonding Policy
815 Debt Service Reestimate
816 Motor Vehicle Fuel and Alternate Fuel Tax
817 Motor Vehicle Fuel Tax Indexing Formula
818 Vehicle Registration Fee Increase -- Automobiles
819 Value-Based Vehicle Registration Fee for Automobiles
820 Vehicle Registration Fee Increase -- Trucks
821 Title Transfer Fee
822 Motor Vehicle Fuel and Alternate Fuel Tax -- Tax on Diesel Fuel
823 Motor Vehicle Fuel Tax Exemptions for Off-Highway Uses
824 General Transportation and Connecting Highway Aid -- Monthly Payments
825 Transportation Fund Appropriations to Other Agencies

Transportation -- Local Transportation Aid

830 General Transportation Aid -- Funding Level
831 Mass Transit Operating Assistance -- Funding Level
832 Elderly and Disabled Transportation Assistance
833 Lift Bridge Aid

Transportation -- Local Transportation Projects

835 Milwaukee Brewers Stadium Infrastructure
836 Passenger Rail Service
837 Freight Rail Infrastructure Improvement Program
838 Railroad Crossing Repair Assistance

Paper #

Transportation -- State Highway Program

845 Major Highway Development -- Project Enumeration
846 Major Highway Project Selection Process
847 State Highway Maps
848 Reduce Capacity to Design Future Projects
849 Savings from Instituting Changes in Contaminated Site Remediation
850 Streamline Materials Acceptance Process
851 Eliminate Production of Certain Highway Signs
852 Discontinue Mailing Letting Reports
853 State Highway Rehabilitation -- Funding Level
854 Major Highway Development -- Funding Level
855 State Trunk Highway Maintenance Inflation
856 East-West Freeway Resurfacing Reserve

Transportation -- Motor Vehicles

860 Extended License Renewal Cycle
861 Operator's License and Identification Card Fee Increases
862 Digitized Driver's License Technology
863 Increased License Plate Costs
864 Single License Plate
865 Enhanced Driver Education
866 Third-Party Skills Testing for Class D Operator's Licenses
867 Special License Plate Issuance Fees
868 Registration and Titling Exemption for Certain Mobile Homes and Consolidation of Registration Categories for Camping Trailers and Mobile Homes
869 Miscellaneous Budget Adjustments
870 Sale of Accident and Citation Records

Transportation -- State Patrol

880 Mobile Data Computers
881 Breath Testing Instrument Replacement
882 Transfer Chemical Test Program to the OWI Surcharge
883 Public Safety Radio System
884 Fees for State Patrol Services

Transportation -- Other Divisions

890 Division of Business Management -- Data Processing Reductions
891 Division of Transportation Investment Management -- Project Position

Paper #

979 Assignment of Child Support Under W-2
980 New Hope Project
981 Work Requirement for Two-Parent Families Under W-2
982 18- and 19-Year Old Parents Under W-2
983 Time Limit for Participation in W-2
984 W-2 Dispute Resolution
985 Aid to 18-Year-Old Students
986 Public Assistance: Drug-Related Convictions and Drug Testing
987 Food Stamp Sanctions
988 Release of Information Regarding Food Stamp Recipients
989 Food Stamp Waiver
995 Minor Policy and Technical Changes -- Food Stamp and MA Administration by W-2 Agencies

Representative Jensen
Senator Burke

ASSEMBLY BILL 100

Motion:

Move introduction and adoption of LRBs 0230/1 as a substitute amendment to AB 100. In addition, move that AB 100 be recommended for passage as amended.

MO# Intro of LRB 0230

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 15 NO 1 ABS

Adoption & Passage

MO# Motion #6091

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 10 NO 6 ABS

Motion #6091