

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

<b>LRB #</b> 99-4060/1
<b>INTRODUCTION #</b> AB 673
<b>Admin. Rule #</b>

**Subject**

Create Individual Income Tax Exemption for Cost of Public Transportation Pass Provided by Employer

**Fiscal Effect**

- State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues            | <input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriation | <input checked="" type="checkbox"/> Decrease Existing Revenues |   |
| <input type="checkbox"/> Create New Appropriation        |  |   |
- Decrease Costs

**Local:**  No Local Government Costs

- |  |   |  |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |  |

**Fund Sources Affected**

- GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

This bill expands the income tax exemption for employer-provided transit expenses. Currently, federal law allows an exemption for employer-provided transit passes costing up to \$65 per month. Wisconsin has adopted this provision for state tax purposes; therefore, Wisconsin taxpayers may exclude employer-provided transit expenses from their income when calculating state income tax liability. The bill expands the existing exclusion by removing the \$65 per month limit, thereby allowing all employer-provided public transportation passes to be excluded for state income tax purposes. Expenses that exceed the \$65 per month federal limit will be subtracted from federal adjusted gross income in determining Wisconsin adjusted gross income.

According to the Department of Transportation, the monthly cost of commuter passes offered by public transit systems in the state is less than \$65, although there are limited instances of passes costing more than \$65 per month. However, no evidence has been found that these affect a large number of persons. Thus, the fiscal effect of this bill is minimal.

**Long-Range Fiscal Implications:**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	<b>Date</b> 2/14/2000
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 99-4060/1**  
**INTRODUCTION # AB 637**

**Admin. Rule #**

**Subject**  
 Create Individual Income Tax Exemption for Cost of Public Transportation Pass Provided by Employer

**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	\$	\$ -
<b>B. State Costs by Source of Funds</b>	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ - minimal
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ -minimal _____	\$ _____

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	2/14/2000