

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 99-3003/5**

**INTRODUCTION # AB 712**

**Admin. Rule #**

**Subject**

Individual Income Tax Deduction for Teachers Purchasing Educational Supplies

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation     Increase Existing Revenues  
 Decrease Existing Appropriation     Decrease Existing Revenues  
 Create New Appropriation

- Increase Costs - May be Possible to Absorb Within Agency's Budget  Yes  No  
 Decrease Costs

**Local:**  No Local Government Costs

1.  Increase Costs  
 Permissive  Mandatory  
2.  Decrease Costs  
 Permissive  Mandatory

3.  Increase Revenues  
 Permissive  Mandatory  
4.  Decrease Revenues  
 Permissive  Mandatory

5. Types of Local Governmental Units Affected:  
 Towns  Villages  Cities  
 Counties  Others \_\_\_\_\_  
 School Districts  WTCS Districts

**Fund Sources Affected**

- GPR  FED  PRO  PRS  SEG  SEG-S

**Affected Ch. 20 Appropriations**

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

This bill would allow public and private school teachers to claim a deduction for up to \$500 in unreimbursed expenses for educational materials and supplies. In order to be eligible for the deduction, a claimant must spend at least 50% of his or her workday as a classroom teacher. According to data provided by the Department of Public Instruction, there are 78,000 teachers in Wisconsin (60,000 public school teachers and 18,000 private school teachers) who would be affected by this bill.

Assuming that each teacher would claim, on average, a \$400 deduction, and assuming an effective marginal tax rate of 6.06%, the revenue loss from the bill is estimated to be \$1.9 million (78,000 x 400 x .0606).

**Long-Range Fiscal Implications:**

**Agency/Prepared by: (Name & Phone No.)**

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**Date**

1/8/2000

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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**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: |                         |
|---|---|-------------------------|
| A. State Costs by Category  | Increased Costs                               | Decreased Costs         |
| 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>                                     | <b>\$ -</b>             |
| B. State Costs by Source of Funds   | Increased Costs                               | Decreased Costs         |
| GPR   | \$  | \$ -                    |
| FED   |   | -                       |
| PRO/PRS   |   | -                       |
| SEG/SEG-S   |   | -                       |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | Increased Rev.                                | Decreased Rev.          |
| GPR Taxes   | \$  | \$ - 1.9 million        |
| GPR Earned  |   | -                       |
| FED   |   | -                       |
| PRO/PRS   |   | -                       |
| SEG/SEG-S   |   | -                       |
| <b>TOTAL State Revenues</b>   | <b>\$</b>                                     | <b>\$ - 1.9 million</b> |

**NET ANNUALIZED FISCAL IMPACT**

|                        | <u>STATE</u>     | <u>LOCAL</u> |
|------------------------|------------------|--------------|
| NET CHANGE IN COSTS    | \$ _____         | \$ _____     |
| NET CHANGE IN REVENUES | \$ - 1.9 million | \$ _____     |

| Agency/Prepared by: (Name & Phone No.)                             | Authorized Signature/Telephone No.                          | Date     |
|--|---|----------|
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