

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED
- CORRECTED     SUPPLEMENTAL

**LRB # 99-3841/3**

**INTRODUCTION # AB 763**

**Admin. Rule #**

**Subject**

**Modify Income Definition for Homestead Tax Credit**

**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**

20.835 (2)(b)

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

This bill modifies the definition of income used in the Homestead tax credit program by excluding from income the nontaxable portion of pensions and annuities as well as tax deductible payments to IRAs, Keogh accounts and deferred compensation. The bill also includes in income life insurance death benefits.

Based on a simulation on the 1997 Wisconsin Individual Income Tax Model, it is estimated that this bill will increase Homestead expenditures by \$1.1 million annually.

**Long-Range Fiscal Implications:**

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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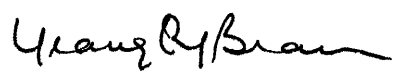
**Subject**  
 Modify Income Definition for Homestead Tax Credit

**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	1,100,000	-
<b>TOTAL State Costs by Category</b>	<b>\$ 1,100,000</b>	<b>\$ -</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 1,100,000	\$ -
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	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ +1,100,000	\$
NET CHANGE IN REVENUES	\$	\$

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 3/1/00
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