

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 1666/2**

**INTRODUCTION # SB 192**

**Admin. Rule #**

**Subject**

Individual Income Tax Credit for In-Home Care of Elderly Relatives

**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:**

The bill creates a nonrefundable individual income tax credit of up to \$1,000 for individuals who provide in-home care for elderly relatives. The credit is allowed for costs incurred by a claimant for providing care. In order to be eligible for the credit, an individual must provide more than 50% of the total amount of support that the elderly relative receives.

Based on information from the Office of Management and Budget, there are approximately 24,100 care providers in Wisconsin who provide in-home care to an elderly relative. A simulation of the 1997 Wisconsin Individual Income Tax Model, adjusted for 1999 law changes, indicates that the revenue loss associated with this bill is \$17.5 million. This estimate assumes that all claimants will have at least \$1,000 of in-home care expenses, but that not all claimants will have sufficient tax liability to use the full \$1,000 in credits.

The cost to screen, verify and audit credit claims is estimated to be \$66,200 annually beginning in FY 2001, including 1.5 FTE [1.0 Revenue Auditor, and 0.5 Clerical Assistant]. Start-up costs in FY 2000 are estimated to be \$70,400 for programming and information technology support and \$18,800 in FY 2001 for furniture and PC/network installation.

**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

**1999 Session**

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**Subject**  
**Individual Income Tax Credit for In-Home Care of Elderly Relatives**

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

One-time costs for programming, information technology support, furniture, and PC/network installation: FY00 \$70,400; FY01 \$18,800

**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)	\$ 55,500 (1.5 FTE)
State Operations-Other Costs	10,700	-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$ 66,200</b>	<b>\$ -</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
	GPR	\$ 66,200
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>\$ - 17.5 million</b>

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS	\$ + 66,200	\$
NET CHANGE IN REVENUES	\$ - 17.5 million	\$

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Craig D. Kammholz, (608) 261-8984	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 <i>Yeang-Eng Braun</i>	<b>Date</b> 7/13/99
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