

Fiscal Estimate Narratives

DOR 12/4/01

LRB Number 01-4110/1	Introduction Number SB-326	Estimate Type Original
Subject Increase the capital gains income tax exclusion		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, Wisconsin allows taxpayers to exclude from income 60% of the capital gain on assets held more than one year. This bill would increase the existing exclusion to 100%.

According to a simulation using the 1999 Wisconsin Individual Income Tax sample, this bill would have reduced state income tax revenues by \$159 million in tax year 1999. This fiscal effect could be more or less in future years depending on the actual amount of capital gains realized in that year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Increase the capital gains income tax exclusion			
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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-159,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-159,000,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-159,000,000	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Meredith Krejny (608) 261-8984		Brian Pahnke (608) 266-2700	12/3/01