

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2850/3</b>	<b>Introduction Number</b> <b>AB-552</b>
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**Subject**

Add the Iraq war to the list of armed forces service, such as in 45.34

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes       No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
    - Permissive  Mandatory
  - 2.  Decrease Costs
    - Permissive  Mandatory
  - 3.  Increase Revenue
    - Permissive  Mandatory
  - 4.  Decrease Revenue
    - Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
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GPR   
  FED   
  PRO   
  PRS   
  SEG   
  SEGS

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DOR 10/31/2003

LRB Number	03-2850/3	Introduction Number	AB-552	Estimate Type	Original
<b>Subject</b>					
Add the Iraq war to the list of armed forces service, such as in 45.34					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, any extension of time granted by law or by the Internal Revenue Service for a taxpayer to file his or her federal return extends the time for filing under state law, although the taxes that are due are subject to interest at a rate of 12% per year during the period of the extension.

Under this proposed bill, effective taxable years beginning after December 31, 2002, and before January 1, 2005, the 12% interest rate does not apply to persons who served either inside or outside the U.S. in support of Operation Iraqi Freedom, or a successor operation. The person must have served for 90 days or more in support of Operation Iraqi Freedom under all of the following conditions:

1. Under an active duty order, a unit assignment order, or an involuntary extension of an active duty order.
2. Under honorable conditions.
3. Between March 19, 2003, and the ending date of Operation Iraqi Freedom or a successor operation.

According to the Defense Manpower Data Center, as of August 2003 there are approximately 3,500 Wisconsin active duty personnel and reservists serving outside the U.S. in support of Operation Iraqi Freedom. The number stationed inside the U.S. who would benefit from this bill is not known. State income tax revenues would decrease by 12% of the tax due of these individuals who choose to take the extension. Data are not available to estimate the revenue loss, but the fiscal effect is expected to be minimal.

### Long-Range Fiscal Implications