

Fiscal Estimate - 2003 Session

☐ Original ☐ Updated ☒ Corrected ☐ Supplemental

LRB Number 03-1347/1		Introduction Number AB-70	
Subject Modify the definition of "income" under the homestead tax credit			
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div><input type="checkbox"/> Decrease Costs</div></div>			
Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"><div>1. <input type="checkbox"/> Increase Costs <div style="display: flex;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div>2. <input type="checkbox"/> Decrease Costs <div style="display: flex;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div></div><div style="width: 33%;"><div style="display: flex; justify-content: space-between;"><div>3. <input type="checkbox"/> Increase Revenue <div style="display: flex;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div><div>4. <input type="checkbox"/> Decrease Revenue <div style="display: flex;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div></div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>			
Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(c)		Affected Ch. 20 Appropriations	
Agency/Prepared By DOR/ Karyn Kriz (608) 261-8984		Authorized Signature Dennis Collier (608) 266-5773	Date 3/17/2003

Fiscal Estimate Narratives

DOR 3/17/2003

LRB Number	03-1347/1	Introduction Number	AB-70	Estimate Type	Corrected
Subject					
Modify the definition of "income" under the homestead tax credit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the definition of "household income" for purposes of the homestead tax credit includes Wisconsin adjusted gross income (WAGI) as well as some items that are not otherwise includable in WAGI. Some of these items are depreciation, capital gains, cash public assistance, certain pension benefits, nontaxable interest received from the federal government, nontaxable interest received on state or municipal bonds, and gains on the sale of a personal residence.

This bill would modify the definition of "household income" under the homestead tax credit such that interest income received from the installment sale of certain real property including a claimant's former homestead may be subtracted from income prior to determining the claimant's homestead tax credit. The interest income is deductible up to the amount of interest paid by the claimant on a mortgage to purchase another homestead.

The proposed change in the definition of "household income" for purposes of the homestead tax credit would increase the number of filers eligible for the credit, however, the number of filers receiving interest income from installment sales of real property and the amount of this interest is not known. Thus, the proposed bill would increase existing appropriations by an unknown amount.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Modify the definition of "income" under the 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 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, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Karyn Kriz (608) 261-8984		Dennis Collier (608) 266-5773	3/17/2003