

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3161/2</b>	<b>Introduction Number</b> <b>AB-992</b>
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**Subject**  
 Permitting same-sex marriages

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input checked="" type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue		<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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	

<b>Agency/Prepared By</b> DOR/ Karyn Kriz (608) 261-8984.	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 3/24/2004
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## Fiscal Estimate Narratives

DOR 3/25/2004

LRB Number	<b>03-3161/2</b>	Introduction Number	<b>AB-992</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Permitting same-sex marriages					

### Assumptions Used in Arriving at Fiscal Estimate

This bill would allow same-sex couples to marry and therefore to file their tax returns as married joint filers.

According to the U.S. Census Bureau, there were 8,232 same-sex couples living in Wisconsin in 2000. The tax liability faced by each member of a same-sex couple while filing as single differs from the tax liability incurred by these couples if they file as married joint. According to the 2001 Individual Income Tax Model, adjusted for 2003 law, the average married couple has earnings of which 76% is attributable to one spouse and 24% is attributable to the other spouse. The average Wisconsin adjusted gross income (WAGI) of married joint filers is \$67,275. The average joint filer would consist of spouse one with income of \$51,267 and spouse two with income of \$16,008.

This estimate assumes that the amount of income and the earnings distribution in a same-sex couple would be the same as that for current joint filers. If spouse one were to file as single rather than married joint, a standard deduction of \$2,984 and personal exemption of \$700 would be subtracted from WAGI of \$51,267 to yield taxable income of \$47,583. Applying the appropriate tax rate, spouse one would have a gross tax of \$2,903. Similarly, spouse two would subtract from WAGI of \$16,008, a standard deduction of \$7,215 and a personal exemption of \$700 to yield taxable income of \$8,092. Applying the appropriate tax rate, spouse two would have a gross tax of \$372. The couple would have a combined tax liability of \$3,429 (\$2,903 + \$372).

If this couple were to file as married joint, a standard deduction of \$3,841 and a personal exemption of \$1,400 would be subtracted from income of \$67,275 to yield taxable income of \$62,034. Applying the appropriate tax rate, the couple would have a gross tax of \$3,779. As a married joint filer the couple would be eligible to claim a married couple credit of \$480. Subtracting the credit from gross tax would yield a tax liability of \$3,299 (\$3,779 - \$480). The tax liability this couple incurs as a joint filer would be \$130 (\$3,429 - \$3,299) less than if each partner in the couple were to file as a single.

It is unknown how many same-sex couples in Wisconsin would get married, law permitting. If all 8,232 couples marry, state tax revenues would decrease by about \$1.1 million (\$130 x 8,232). If half of the couples marry, revenues would decrease by \$0.5 million (\$130 x 4,116). If 25% of the couples marry, revenues would decrease by \$0.3 million (\$130 x 2,058).

However, depending on the number of couples that get married, the couples' income and the amount of earnings attributable to each spouse, this estimate could be higher or lower.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 03-3161/2		<b>Introduction Number</b> AB-992	
<b>Subject</b>			
Permitting same-sex marriages			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$SeeText	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Karyn Kriz (608) 261-8984		Dennis Collier (608) 266-5773	
		<b>Date</b>	
		3/24/2004	