

Fiscal Estimate Narratives

DOR 12/9/2005

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|--|-----------|---------------------|--------|---------------|----------|
| LRB Number | 05-4049/1 | Introduction Number | SB-453 | Estimate Type | Original |
| Description Creating an individual income tax checkoff for donations to the fire fighters memorial | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an income tax checkoff for designations to the Firefighters Memorial Association. The total amount of designations less the cost of administering the checkoff must be used to support the construction, improvement and maintenance of the Wisconsin State Firefighters Memorial in Wisconsin Rapids. No designations may be made after the Secretary of the Department of Revenue certifies that net donations exceed \$400,000. Net donations are the difference between total donations and administrative costs incurred by the Department.

According to Department of Revenue data from tax year 2004 returns collected to date, tax filers contributed about \$300,000 in donations to breast cancer research. Donations to breast cancer research are collected in the same way as the donations to the firefighters memorial. Assuming similar participation in the proposed checkoff, tax filers may donate a total of approximately \$300,000 to the firefighters memorial.

The Department would incur one-time costs of \$19,400 for system development and annual costs of \$6,200 for limited-term employee (LTE) salaries and fringe benefits, supplies, and printing and postage. These costs would be deducted from total donations received and the remaining funds would be used for the firefighters memorial. Therefore, the first year of the checkoff program could generate up to \$274,400 (\$300,000 - \$19,400 - \$6,200) in donations after deducting the cost of administering the program. If the amount of donations remains constant each year, total annual donations could be \$293,800 (\$300,000 - \$6,200) for each subsequent year. Designations cannot be made after the Secretary of the Department of Revenue certifies that net donations exceed \$400,000. As new checkoffs continue to proliferate, contributions to each checkoff may decrease.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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|--|--|--|-----------------|
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| Description Creating an individual income tax checkoff for donations to the fire fighters memorial | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$19,400 in system development costs, financed by an equal amount of program revenue. | | | |
| 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 | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$ | \$ |
| NET CHANGE IN REVENUE | | \$SeeText | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DOR/ Kirstin Nelson (608) 261-8984 | | Rebecca Boldt (608) 266-6785 | 12/9/2005 |