

Fiscal Estimate Narratives
DOR 3/14/2005

LRB Number 05-1048/1	Introduction Number AB-163	Estimate Type Original
Subject Property tax exemption for property owned by a 100 percent disabled veteran		

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, real property, including residential, agricultural and commercial property, is exempt if it is owned by a veteran who receives 100% disability compensation from the U.S. Department of Veterans Affairs due to a service-connected disability.

According to the U.S. Department of Veterans Affairs, in 2004 there were 3,809 veterans in Wisconsin receiving 100% disability compensation. According to the 2003 U.S. Census Housing Survey, the homeownership rate in Wisconsin is 73%. Assuming the same percentage of disabled veterans own homes as Wisconsin residents in general, 2,781 (73% x 3,809) residential parcels would be eligible for exemption under the bill.

According to the U.S. Census, the median house value was \$112,200 in Wisconsin in 2003. Based on these data, about \$312 million ($\$112,200 \times 3,809$) in residential property would become exempt under the bill. At the 2003 average state property tax rate of \$20.01 per \$1,000 of property value, the bill would shift \$6.2 million in property taxes ($\$312 \text{ million} \times 0.02001$) from property owned by disabled veterans to other taxpayers.

Data are not available to estimate the property tax shift due to the exemption of commercial, agricultural, and other non-residential classes of property owned by disabled veterans under the bill.

Department costs due to revisions to the Wisconsin Property Assessment Manual would increase under the bill. The costs would be absorbed.

State forestry tax collections would decrease by \$62,400 under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Property tax exemption for property owned by a 100 percent disabled veteran			
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 (Forestry)		-62,400
	TOTAL State Revenues	\$	\$-62,400
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-62,400	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Milda Aksamitauskas (608) 261-5173		Blair Kruger (608) 266-1310	3/14/2005