

Fiscal Estimate Narratives
DOR 5/13/2005

LRB Number 05-1696/1	Introduction Number AB-392	Estimate Type Original
Subject Campaign finance changes		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin election campaign fund is financed through designations made by taxpayers on their individual income tax forms. Every individual filing an income tax return, whether receiving a refund or possessing a tax liability, may designate \$1 of general purpose revenue for transfer to the Wisconsin election campaign fund. Individuals filing a joint return may each separately choose to designate \$1 for transfer to the fund. All moneys transferred to the fund are placed in accounts for specified state offices, and candidates for those offices may qualify for grants from the fund to be used for specified campaign expenses. No moneys in the fund may be used for any other purpose.

This bill increases the amount of the individual income tax designation for the Wisconsin election campaign fund from \$1 to \$5. Each individual designating the \$5 transfer to the fund is required to indicate whether the amount designated by that individual is to be placed in the general account for the use of all eligible candidates for state office, or in the account of an eligible political party whose name is certified to the secretary of revenue. If the individual fails to provide this information, the amount of his or her designation shall be placed in the general account.

The Department of Revenue must include and highlight an easily understood description of the purpose and effect of the fund and the tax checkoff in its income tax preparation instructions related to the tax checkoff.

Based on donations made on 2003 returns, it is assumed that 242,000 taxpayers designate the \$1 transfer annually under current law. Assuming the same number of taxpayers would designate the \$5 transfer, Wisconsin election campaign fund designations would increase by approximately \$1 million (242,000 x \$4).

The Department of Revenue expects to incur costs of \$32,000 in administering this bill. These costs include \$17,300 in one-time costs for changes to the tax forms and \$14,700 in annual costs for additional LTE hours.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Campaign finance changes			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$17,300 for changes to the income tax forms.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$14,700		
(FTE Position Changes)			
State Operations - Other Costs	1,000,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,014,700		\$
B. State Costs by Source of Funds			
GPR	1,014,700		
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	1,000,000		
TOTAL State Revenues	\$1,000,000		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$1,014,700		\$1,000,000
NET CHANGE IN REVENUE	\$1,000,000		\$
Agency/Prepared By		Authorized Signature	Date
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