



**Fiscal Estimate Narratives**  
**DOR 8/29/2005**

LRB Number	<b>05-3406/1</b>	Introduction Number	<b>AB-622</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Tax credit for work provided by community rehabilitation programs					

**Assumptions Used in Arriving at Fiscal Estimate**

The bill would create a nonrefundable income and franchise tax credit for 5% of the cost of work provided by a community rehabilitation program to a business. A taxpayer could claim up to \$25,000 of credit per year for each community rehabilitation program for which the taxpayer enters a contract for the program to provide workers for the taxpayer's business.

A community rehabilitation program is a nonprofit entity, county, municipality or federal agency that directly provides or facilitates vocational rehabilitation services to individuals with disabilities to maximize their employment opportunities. Vocational rehabilitation services include education, training, employment, counseling, therapy, placement and case management. Work includes production, packaging, assembly, food service, custodial service, clerical service and other commercial activities that improve employment opportunities for individuals with disabilities.

The amount of expenditures that would be eligible for the credit is not known. However, based on 2004 survey information from Rehabilitation for Wisconsin, Inc., a statewide association for rehabilitation programs, it is estimated that \$57 million of total expenditures would be eligible for credit. As a result, the estimated fiscal effect would be \$2.9 million annually.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>05-3406/1</b>		Introduction Number <b>AB-622</b>	
<b>Subject</b>			
Tax credit for work provided by community rehabilitation programs			
<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		\$	\$-2,900,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-2,900,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-2,900,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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