

Fiscal Estimate Narratives

DOR 12/20/2005

LRB Number 05-3799/1	Introduction Number AB-861	Estimate Type Original
Description Creating an individual income tax deduction for health and fitness center memberships		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an individual income tax deduction for health and fitness center memberships. An individual may deduct any amount paid for a membership.

According to the International Health, Racquet and Sportsclub Association, there were 41.3 million health club memberships in 2004 in the United States. Based on Wisconsin's share of the nation's population, Wisconsin has approximately 764,000 memberships (1.85% x 41.3 million). Assuming an average deduction of \$500, state revenue losses could total approximately \$21 million (764,000 x \$500 x 5.5%). To the extent that those with memberships deduct more than \$500, the fiscal effect could be higher.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3799/1		Introduction Number AB-861	
Description Creating an individual income tax deduction for health and fitness center memberships			
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		\$	\$-21,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-21,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-21,000,000	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Kirstin Nelson (608) 261-8984		Rebecca Boldt (608) 266-6785	12/20/2005