

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0406/1	Introduction Number SB-35
Subject Eliminating the estate tax	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By DOR/ Kirstin Nelson (608) 261-8984	Authorized Signature Rebecca Boldt (608) 266-6785
Date 2/14/2005	

Fiscal Estimate Narratives
DOR 2/14/2005

LRB Number	05-0406/1	Introduction Number	SB-35	Estimate Type	Original
Subject					
Eliminating the estate tax					

Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin law, the estate tax for deaths occurring from October 1, 2002 through December 31, 2007, is equal to the federal credit in effect for deaths on December 31, 2000. The estate tax is repealed for deaths occurring after December 31, 2007. The due date for the Wisconsin estate tax is nine months after the date of death, and therefore, initial collections from the tax will end on September 30, 2008.

This bill would repeal the estate tax beginning with deaths occurring on January 1, 2006. The state would lose collections from October 1, 2006 through September 30, 2008. Estate tax collections are expected to be \$122 million in FY07, \$130 million in FY08 and \$4 million in FY09. Therefore, the fiscal effect of this bill would be \$92 million in FY07 (collections in the final nine months of the fiscal year), \$130 million in FY08 and \$4 million in FY09.

Long-Range Fiscal Implications

Under current law, for deaths after December 31, 2007, Wisconsin will conform to the new federal law and the state estate tax will equal the credit under federal law in effect at the time; since there is no federal credit after 2005, there would be no Wisconsin estate tax after 2007.

This bill would decouple Wisconsin from the federal estate tax law and would repeal Wisconsin's estate tax for all deaths occurring after December 31, 2005. Even though the federal estate tax changes are sunsetted and barring further law changes, the federal estate tax will be restored in 2011, Wisconsin's estate tax would not be restored if this bill is adopted.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Eliminating the estate tax			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
-\$92 million in FY07, -\$130 million in FY08 and -\$4 million in FY09.			
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	
DOR/ Kirstin Nelson (608) 261-8984		Rebecca Boldt (608) 266-6785	
		Date	
		2/14/2005	