

2007 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB40)

Received: 06/27/2007

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Runde (FA)

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Shared Revenue

Extra Copies:

Submit via email: YES

Requester's email:

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

LFB:.....Runde (FA) -

Topic:

Payments for municipal services

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 06/27/2007	kfollett 06/27/2007	jfrantze 06/28/2007	_____	mbarman 06/28/2007		
	jkreye 07/02/2007	wjackson 07/02/2007		_____			
/2			nmatzke 07/02/2007	_____	lparisi 07/02/2007		

FE Sent For:

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1/2 W/LJ 7/2 *nwn 7/2* *nwn/pg 7/2*

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/1	jkreye	11/5/07 6/27	J. Ball	6/28			

FE Sent For:

<END>

Also changes to Approps

Homestead Tax Credit -- Restrict Credit to Seniors, Married Claimants, and Those With Dependents. Restrict the homestead tax credit to those claimants who are either 65, or older, married or have one or more dependents. The following table provides this information, based on the funding level estimated under the bill for the current law credit. This estimate does not include the proposed credit expansion included in the Joint Finance Committee version of the 2007-09 biennial budget.

Potential Savings if the Homestead Tax Credit is Restricted to Specified Groups (In Millions)

	<u>Current Law</u>	<u>Claimants 65 or Older, Married, or With Dependents</u>	<u>Change in Cost</u>
2007-08	\$114.7	\$70.2	-\$44.5
2008-09	<u>111.4</u>	<u>66.3</u>	<u>-45.1</u>
Biennial Total	\$226.1	\$136.5	-\$89.6

Homestead Tax Credit -- Increase Maximum Income for Remaining Claimants. Increase the maximum income level factor of the credit formula for the remaining claimants from \$24,500 to \$25,800, effective in tax year 2007, and index this factor to changes in the consumer price index, effective in tax year 2009. The following chart shows the parameters of the homestead credit under current law and under the proposal, which would expend an estimated \$5.1 million in 2007-08 and \$4.3 million in 2008-09. The combined effect of restricting the credit to those claimants who are either 65, or older, married or have one or more dependents, while providing these remaining claimants an expanded credit, would reduce the cost of the credit by an estimated \$39.4 million in 2007-08 and \$40.8 million in 2008-09.

	<u>Current Law</u>	<u>Proposed</u>
Maximum Income	\$24,500	\$25,800
Maximum Property Taxes	1,450	1,450
Property Tax Reimbursement Rate	80%	80.0%
Income Threshold	8,000	8,000
Rate that Income Reduces Eligible Taxes	8.788%	8.146%
Maximum Credit	1,160	1,160

Payments for Municipal Services -- Funding Level. Reduce the current payments for municipal services appropriation (\$21,998,800 annually) by 2.5% for each year of the biennium and direct the Department of Administration to assess chargebacks to agencies as if the appropriation were unchanged. This proposal would reduce program expenditures by \$550,000 GPR annually.

Subt origin #20

ARC

05-06 - 06-07 amount

06-07

al Rundo

against the program account

07-08 08-09



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0812/1

JK...*gf*

LFB:.....Runde (FA) - Payments for municipal services

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

in 6-27-07

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 271, line 1: decrease the dollar amount for fiscal year 2007-08 by
3 \$550,000 and decrease the dollar amount for fiscal year 2008-09 by \$550,000 for the
4 purpose of making payments for municipal services.

5 **2.** Page ^{1583g} ~~1584~~, line ¹⁹ 4: after that line insert:

6 "(8k) PAYMENTS FOR MUNICIPAL SERVICES. With regard to the payments for
7 municipal services under section 70.119 of the statutes in fiscal year 2007-08 and
8 fiscal year 2008-09, the department of administration shall assess the chargeback
9 to the agencies under section 70.119 (7) (c) of the statutes as if the amount in the

1 schedule for the appropriation under s. 20.835 (5) (a) for both fiscal years was the
2 same as for fiscal year 2006-07.”

3 (END)

LFB:.....Runde (FA) - Payments for municipal services

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

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\$ 5,000,000

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1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 271, line 1: decrease the dollar amount for fiscal year 2007-08 by
3 ~~\$550,000~~ and decrease the dollar amount for fiscal year 2008-09 by ~~\$550,000~~ for the
4 purpose of making payments for municipal services.

5 **2.** Page ⁸⁴⁵~~1583~~, line ⁶~~19~~: after that line insert: *70.119(10) of the statutes*

6 *is created to read:*
7 "(8f) PAYMENTS FOR MUNICIPAL SERVICES. With regard to the payments for
8 municipal services under section 70.119 of the statutes in fiscal year 2007-08 and
9 fiscal year 2008-09, the department of administration shall assess the charge-back
to the agencies under section 70.119 (7) (c) of the statutes as if the amount in the

1 schedule for the appropriation under s. 20.835 (5) (a) for both fiscal years was the
2 same as for fiscal year 2006-07."

3 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0812/1

JK:kjf:jf

+ WLj

2
RMustK

LFB:.....Runde (FA) - Payments for municipal services

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

in 7-2-07

\$5,000,000

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 271, line 1: decrease the dollar amount for fiscal year 2007-08 by
3 ~~\$550,000~~ and decrease the dollar amount for fiscal year 2008-09 by ~~\$550,000~~ for the
4 purpose of making payments for municipal services.

5 **2.** Page ~~1583~~⁸⁴⁵, line ~~19~~⁶: after that line insert:

6 "(8f) PAYMENTS FOR MUNICIPAL SERVICES. With regard to the payments for
7 municipal services under section 70.119 of the statutes in fiscal year 2007-08 and
8 fiscal year 2008-09, the department of administration shall assess the charge-back
9 to the agencies under section 70.119 (7) (c) of the statutes as if the amount in the

1 schedule for the appropriation under s. 20.835 (5) (a) for both fiscal years was the
2 same as for fiscal year 2006-07." *[Handwritten scribbles over the text]*

3 (END)

[Handwritten note in a circle: INSERT ↓ 2-2]

70119 (10) *MM*

(9) 70119 (10) Beginning with payments to be made in fiscal year
 2007-08, the department shall compute payments under this
 section and assessments under sub(7)(c) using the sum of the
 appropriation under 50200835 (5)(a) and \$5,000,000. Prior to
 making the ~~payment~~ ^{payment} under sub(7)(a), the department
 shall reduce the payment to the city of Madison by \$5,000,000.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb0812/2
JK:kjf&wlj:nwn

LFB:.....Runde (FA) - Payments for municipal services

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2007 SENATE BILL 40

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 271, line 1: decrease the dollar amount for fiscal year 2007-08 by
3 \$5,000,000 and decrease the dollar amount for fiscal year 2008-09 by \$5,000,000 for
4 the purpose of making payments for municipal services.

5 **2.** Page 845, line 6: after that line insert:

6 **"SECTION 1935e.** 70.119 (10) of the statutes is created to read:

7 70.119 (10) Beginning with payments to be made in fiscal year 2007-08, the
8 department shall compute payments under this section and assessments under sub.
9 (7) (c) using the sum of the appropriation under s. 20.835 (5) (a) and \$5,000,000. Prior

1 to making the payment under sub. (7) (a), the department shall reduce the payment
2 to the city of Madison by \$5,000,000.”.

3 (END)