

Fiscal Estimate - 2007 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

| | | |
|---|--|--------------------------|
| LRB Number 07-1860/1 | Introduction Number AB-0154 | |
| Description Relating to: allowing an individual income tax deduction for certain amounts contributed by a divorced or legally separated parent to his or her child's college savings account or college tuition and expenses program and limiting the deduction that may be claimed by a married person who files separately | | |
| Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 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 </div> </div> | | |
| <div style="display: flex; justify-content: space-between;"> <div> 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 </div> <div> Affected Ch. 20 Appropriations </div> </div> | | |
| Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984 | Authorized Signature Paul Ziegler (608) 266-5773 | Date 3/19/2007 |

Fiscal Estimate Narratives

DOR 3/20/2007

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|--|-----------|---------------------|---------|---------------|----------|
| LRB Number | 07-1860/1 | Introduction Number | AB-0154 | Estimate Type | Original |
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Assumptions Used in Arriving at Fiscal Estimate

Wisconsin allows for a deduction of \$3,000 from federal adjusted gross income for contributions made to an EdVest account, a college tuition savings program, for each beneficiary if the beneficiary is one of the following: the claimant, the claimant's dependent, the claimant's grandchild, the claimant's great-grandchild, or the claimant's niece or nephew. The bill would allow the deduction when the beneficiary is the claimant's child regardless of whether or not the child is also the claimant's dependent. The proposed bill would limit the deduction to \$1,500 of contributions made to an EdVest account for each beneficiary by married separate filers.

The bill would increase revenue from married separate filers while decreasing revenue from divorced filers. Because the number of divorced and legally separated tax filers contributing money to an EdVest account for their children is unknown, the fiscal effect is indeterminate. The department will incur \$7,500 in LTE costs and \$1,000 in supply costs annually under this proposal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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| 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 | \$7,500 | \$ | |
| (FTE Position Changes) | | | |
| State Operations - Other Costs | 1,000 | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$8,500 | \$ | |
| B. State Costs by Source of Funds | | | |
| GPR | 8,500 | | |
| 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 | \$8,500 | \$ | |
| NET CHANGE IN REVENUE | \$SeeText | \$ | |
| | | | |
| Agency/Prepared By | Authorized Signature | | Date |
| DOR/ Bradley Caruth (608) 261-8984 | Paul Ziegler (608) 266-5773 | | 3/19/2007 |