

Fiscal Estimate Narratives

DOR 2/24/2010

LRB Number	09-4259/1	Introduction Number	AB-0757	Estimate Type	Original
Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

For taxable years starting after December 31, 2009 and before January 1, 2017, the bill creates a refundable income and franchise tax credit equal to 10% of the amount that a claimant pays in the taxable year for food processing plant and food warehouse modernization or expansion related to the claimant's food processing operation. Credit amounts are allocated by the Department of Commerce. The maximum amount of credit that may be allocated by the Department of Commerce in FY 2010 is \$600,000, and the maximum amount of credit that may be allocated in fiscal year 2011 through 2017 is \$700,000 in each fiscal year. The maximum aggregate amount for all years that a claimant may claim is \$200,000.

According to the U.S. Census Bureau's Annual Survey of Manufacturers, in 2006 (the most recent year available) food manufacturers in Wisconsin spent \$623 million on capital expenditures. Based on this, it is assumed that applications for the credit will exceed the annual maximum. Therefore the fiscal effect is estimated to be a \$600,000 in FY 2010 and \$700,000 in fiscal years 2011 through 2017, the maximum credit amount allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation		
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	700,000	
TOTAL State Costs by Category	\$700,000	\$
B. State Costs by Source of Funds		
GPR	700,000	
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	\$700,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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