

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-1963/1	Introduction Number SB-164
Description Increasing the maximum claim under the school property tax credit for older claimants	
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 checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input checked="" 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 Affected Ch. 20 Appropriations <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	
Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature Rebecca Boldt (608) 266-6785
Date 4/29/2009	

Fiscal Estimate Narratives

DOR 4/29/2009

LRB Number	09-1963/1	Introduction Number	SB-164	Estimate Type	Original
Description Increasing the maximum claim under the school property tax credit for older claimants					

Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin law, individuals may claim the school property tax credit on their individual income tax returns. The nonrefundable credit is equal to 12% of the first \$2,500 of property tax paid or rent constituting property tax on a primary residence (\$1,250 for married individuals filing separately). As a result, the maximum school property tax credit is \$300 (\$150 for married individuals filing separately).

This bill expands the school property tax credit for elderly taxpayers. Under the bill, if an individual is 65 years old by the end of the taxable year to which the claim relates, the credit is equal to 12% of the first \$5,000 of property tax paid or rent constituting property tax on a primary residence (\$2,500 for married individuals filing separately). As a result, the maximum school property tax credit for elderly taxpayers would be \$600 (\$300 for married individuals filing separately). The school property tax credit is unchanged for non-elderly taxpayers.

Based on a simulation using the Department of Revenue tax model, the bill is expected to reduce revenue by \$22.4 million annually beginning in fiscal year 2010.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 09-1963/1		Introduction Number SB-164	
Description Increasing the maximum claim under the school property tax credit for older claimants			
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	\$	\$-22,400,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$-22,400,000	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-22,400,000	\$	
Agency/Prepared By			
DOR/ Bradley Caruth (608) 261-8984		Authorized Signature	
		Rebecca Boldt (608) 266-6785	
Date			
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