

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>11-2784/1</b>	<b>Introduction Number</b> <b>AB-0368</b>	
<b>Description</b> Restoring indexing provisions to the homestead tax credit		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" 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 type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs             3. <input type="checkbox"/> Increase Revenue             5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs             4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> 0 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(c)		
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> John Koskinen (608) 267-8973	<b>Date</b> 11/9/2011

## Fiscal Estimate Narratives

DOR 11/9/2011

LRB Number	11-2784/1	Introduction Number	AB-0368	Estimate Type	Original
<b>Description</b> Restoring indexing provisions to the homestead tax credit					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, low-income homeowners and renters may qualify for a refundable homestead tax credit based on household income and property taxes or rent constituting property taxes. The maximum credit is \$1,168 for claimants with household income of no more than \$8,060 and property taxes of at least \$1,460. The credit amount phases out at income levels above \$8,060 and no credit is allowed for persons with household income above \$24,680.

Under this bill, the homestead credit formula factors are indexed for inflation in 2011 and thereafter using the procedure that existed prior to 2011 Wisconsin Act 32.

Based on a simulation using the 2010 homestead credit claims, the bill is expected to increase the credit amount by \$3.3 million in fiscal year 2012, \$9.2 million in fiscal year 2013, and \$15.4 million in fiscal year 2014.

Since the 2011 homestead credit forms and instructions have already been finalized and sent to the printer, this bill would require reprinting those forms and instructions. As such, the department of revenue anticipates a one-time administrative cost of \$32,000 associated with this bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-2784/1		<b>Introduction Number</b> AB-0368	
<b>Description</b> Restoring indexing provisions to the homestead tax credit			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Administrative cost of \$32,000 associated with reprinting 2011 homestead credit forms and instructions.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$SeeText	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	11/9/2011