

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3077/1	Introduction Number SB-015 (SE1)
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Description
 Allowing refunds for the early stage seed and angel investment tax credits and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input 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 type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			

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 20.835(2)(ba)	

Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	Authorized Signature John Koskinen (608) 267-8973	Date 10/13/2011
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Fiscal Estimate Narratives

DOR 10/13/2011

LRB Number 11-3077/1	Introduction Number SB-015 (SE1)	Estimate Type Original
Description Allowing refunds for the early stage seed and angel investment tax credits and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a taxpayer may claim non-refundable Early Stage Seed and Angel Investment tax credits for the taxpayer's investments in qualified new businesses. The bill provides that the Early Stage Seed and the Angel Investment credits are refundable for taxable years beginning after December 31, 2010.

Fiscal estimate:

Non-refundable credits are considered reductions in tax revenue. Refundable credits require an appropriation, and are therefore considered increases in appropriations. In general, changing a credit from non-refundable to refundable would involve an increase in revenue (technically a reduction in revenue reduction) and an increase in appropriations.

Based on information from the Wisconsin Economic Development Corporation (WEDC), it is assumed that under current law there would be 20% growth in the amounts of Angel and Early Stage Seed credits that are certified by WEDC. In addition, it is assumed that making the credit refundable will provide an incentive for out of state investors resulting in an additional 10% increase in credits certified. Based on this, the bill would result in an increase in revenue of an estimated \$10.0 million in FY 2012, \$9.5 million in FY 2013, and \$10.8 million in FY 2014. In addition, the bill would result in increased appropriations of an estimated \$12.8 million in FY 2012, \$10.9 million in FY 2013, \$12.6 million in FY 2014.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Allowing refunds for the early stage seed and angel investment tax credits 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		
	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	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
Agency/Prepared By			
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		John Koskinen (608) 267-8973	
			Date
			10/13/2011