



## Fiscal Estimate Narratives

DOR 2/28/2014

LRB Number	<b>13-3306/3</b>	Introduction Number	<b>AB-0801</b>	Estimate Type	<b>Original</b>
<b>Description</b> Establishing a process for the return of unclaimed property by the state					

### Assumptions Used in Arriving at Fiscal Estimate

Under this bill the administrator of the state's unclaimed property program, currently the Department of Revenue (DOR), is required to maintain a website with the names of persons who may be owners of unclaimed property being held under the program. By July of each year, the administrator must provide DOR with the names of such persons along with any available Social Security numbers for such persons.

The bill requires DOR to notify the administrator if any such person has filed a Wisconsin income tax return in that year, must provide the administrator with the address of the person that appears on the tax return, and must notify the administrator if any such person owes a debt to a state agency, county, or municipality that DOR may collect under the tax refund intercept program.

If the value of the property that is owed to any person who is identified by DOR is \$2,000 or less, the person is not required to file a claim and the administrator must deliver the property to the person. If the value of the property is greater than \$2,000, the administrator must send written notice to the person, informing the person that he or she is the owner of abandoned property held by the state and may file a claim with the administrator for return of the property.

Before paying any amount owed to the person, however, the administrator must first pay to DOR the amount owed to the person so that DOR may use that amount to collect any debt the person owes under the tax refund intercept program. Any amount remaining after satisfying the debt is then paid to the person.

It is unclear how accurately the unclaimed property list will match with tax return records, or the extent to which the matched individuals will have outstanding tax obligations. As such, the fiscal effect of the bill is unknown. However, for illustrative purposes, if DOR is able to match 10% of the \$429 million in unclaimed property, and 1% of that amount is offset against delinquent tax, the bill would increase revenue by approximately \$429,000 annually ( $\$429 \text{ million} \times 10\% \times 1\%$ ). To the extent that the match rate or offset rate differ, the annual fiscal impact could be higher or lower. The department anticipates minimal administrative costs under this bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Establishing a process for the return of unclaimed property by the state			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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	\$	\$
	NET CHANGE IN REVENUE	\$See Text	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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