

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-1000/2	Introduction Number SB-147
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Description
 Creating an individual income tax exemption for military income received by active duty members of the U.S. armed forces who die in a combat zone

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	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
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	<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	

Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature John Koskinen (608) 267-8973	Date 4/25/2013
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Fiscal Estimate Narratives

DOR 4/25/2013

LRB Number	13-1000/2	Introduction Number	SB-147	Estimate Type	Original
Description Creating an individual income tax exemption for military income received by active duty members of the U.S. armed forces who die in a combat zone					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the monthly compensation of a member of the United States Armed Forces is excluded from income if the taxpayer served in a combat zone. The exclusion for commissioned officers is limited to the maximum amount that enlisted personnel may exclude. Moreover, death gratuities paid to survivors of members of the Armed Forces are excluded from income.

For taxable years beginning after December 31, 2012, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces and who dies in a combat zone. The exemption applies to income received by the individual in the year in which he or she dies, and in the year before that year if the individual has not filed a return for that prior year.

Based on statistics from the Department of Defense Casualty Analysis System, there have been 123 Wisconsin military casualties in the Global War on Terror (32 from Operation Enduring Freedom, 91 from Operation Iraqi Freedom, and 0 from Operation New Dawn). Based on the duration of the Global War on Terror, there have been approximately 11 Wisconsin casualties per year.

The bill is expected to reduce revenue by a minimal amount annually beginning in fiscal year 2014.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Creating an individual income tax exemption for military income received by active duty members of the U.S. armed forces who die in a combat zone			
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		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	
		Date	
		4/25/2013	