

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 15-3157/1	<b>Introduction Number</b> AB-0345
<b>Description</b> Sunsetting the individual income tax deduction for expense allowances that may be claimed by certain state legislators	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <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	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <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	
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Michael Wagner (608) 266-6785
<b>Date</b> 9/23/2015	

## Fiscal Estimate Narratives

DOR 9/23/2015

LRB Number	15-31571	Introduction Number	AB-0345	Estimate Type	Original
<b>Description</b> Sunsetting the individual income tax deduction for expense allowances that may be claimed by certain state legislators					

### Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows an exemption for state legislators per diem expenses if the legislator's place of residence is more than 50 miles from the state capitol. Wisconsin conforms to this federal law, so these amounts are also exempt from Wisconsin income.

Current state law also allows an exemption for per diem expenses of legislators to the extent that those expenses have not already been excluded from federal adjusted gross income. Because the Wisconsin law does not limit the exclusion to legislators whose place of residence is more than 50 miles from the state capitol, it primarily extends the state exclusion to legislators whose place of residence is within 50 miles of the state capitol.

This bill repeals the state income tax exclusion for legislator's per diem expenses beginning in 2016. This effectively eliminates the per diem exclusion for legislators whose place of residence is within 50 miles of the state capitol, but does not affect the federal exclusion for legislators whose place of residence is more than 50 miles from the state capitol. The bill will increase revenue by a minimal amount annually, beginning in fiscal year 2017.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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  Updated     
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<b>LRB Number</b> <b>15-3157/1</b>	<b>Introduction Number</b> <b>AB-0345</b>	
<b>Description</b> Sunsetting the individual income tax deduction for expense allowances that may be claimed by certain state legislators		
<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>
DOR/ Bradley Caruth (608) 261-8984		Michael Wagner (608) 266-6785
		9/23/2015