

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4424/1	Introduction Number SB-604
-----------------------------	-----------------------------------

Description
 Repealing the authority to create ABLE accounts in this state and creating tax benefits for contributions to ABLE accounts in other states

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input 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	Authorized Signature	Date
DOA/ Kris Frederick (608) 261-2292	Colleen Holtan (608) 266-1359	1/25/2016

Fiscal Estimate Narratives

DOA 1/25/2016

LRB Number	15-4424/1	Introduction Number	SB-604	Estimate Type	Original
Description Repealing the authority to create ABLE accounts in this state and creating tax benefits for contributions to ABLE accounts in other states					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill (AB) 731 would repeal the statutes (§16.643, Wis. Stats.) that establish the ABLE program in Wisconsin. 2015 Wisconsin Act 55 (the 2015-17 Budget Bill) created §16.643, Wis. Stats., which authorizes the creation of support accounts for the benefit of individuals with disabilities. Act 55 required the Department of Administration to implement and administer the program.

The ABLE program is authorized under 26 USC 529A, which allows accounts established for individuals with disabilities to grow tax-free. The funds in these accounts can be used for education, housing, transportation, assistive technology, personal support and other qualified expenses. 29 USC 529A was recently amended to remove the so-called 'home state requirement' for the ABLE program. Under the new federal code, an individual who owns an ABLE account does not need to open the account in the state in which they live in order to qualify for the federal and in-state tax deductions. As a result, individuals who live in Wisconsin could establish accounts in other states while still claiming an in-state tax deduction on the account.

The Department had previously estimated the annual cost to implement and administer the ABLE program to be between \$300,000 and \$350,000. AB 731 would eliminate the need to create the program at DOA; however, efforts would be needed to guide Wisconsin residents to such accounts in other states. Furthermore, even if accounts are established in other states, Wisconsin may be responsible for disclosure efforts to address securities laws, federal social security program requirements, and State social security and other program eligibility. There may be costs incurred by DOA and other State agencies to address some of these potential requirements; however, the total amount of those costs is indeterminable.

Long-Range Fiscal Implications