

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1492/1	Introduction Number AB-0208
-----------------------------	------------------------------------

Description
 changing the individual income tax deduction eligibility requirements for certain adoption-related expenses

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - Permissive Mandatory
 - 2. Decrease Costs
 - Permissive Mandatory
 - 3. Increase Revenue
 - Permissive Mandatory
 - 4. Decrease Revenue
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns
 - Counties
 - School Districts
 - Village
 - Others
 - WTCS Districts
 - Cities 0

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	Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984	Jamie Adams (608) 266-6785	4/17/2017

Fiscal Estimate Narratives

DOR 4/17/2017

LRB Number	17-1492/1	Introduction Number	AB-0208	Estimate Type	Original
Description changing the individual income tax deduction eligibility requirements for certain adoption-related expenses					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an adoptive parent may claim up to \$5,000 for adoption fees, court costs, and legal fees relating to the domestic adoption of a child for whom a final order of adoption was entered by a Wisconsin court during the taxable year. This bill extends eligibility to foreign adoptions and claimants for whom an order has been entered by a court of any other state.

The current law deduction for adoption related expenses reduces revenue by approximately \$132,000 annually. Statistics from the U.S. Department of Health and Human Services, Child Welfare Information Gateway and the U.S. State Department Bureau of Consular Affairs suggest that about 7% of Wisconsin adoptions are from other countries. However, the share of adoptions by Wisconsin taxpayers that are ordered by a court of another state is unknown, so the fiscal effect of the bill is unknown. As an example, if 17% of Wisconsin adoptions are foreign adoptions (7%) or are ordered by courts of other states (10%), the bill would reduce revenue by approximately \$22,440. To the extent that the share of newly qualifying adoptions is larger or smaller than 17%, the fiscal effect would also be larger or smaller.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1492/1		Introduction Number AB-0208	
Description changing the individual income tax deduction eligibility requirements for certain adoption-related expenses			
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		Jamie Adams (608) 266-6785	
		Date	
		4/17/2017	