

Fiscal Estimate Narratives
DOR 10/1/2019

LRB Number 19-4281/1	Introduction Number AB-0469	Estimate Type Original
Description a nonrefundable volunteer fire fighters and emergency responders tax credit		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable tax credit for volunteer fire fighters, emergency medical responders, and emergency medical services practitioners. The credit is equal to \$100 for volunteers who have served for at least five years. To be eligible for the credit, claimants must be in good standing with their department.

According to the Department of Health Services, 2017-18 Wisconsin EMS Workplace Survey, Wisconsin has approximately 17,000 EMS practitioners and 37%, or 6,290, are volunteers. The survey also indicates, based on years of service, that approximately 75% of EMS practitioners would be eligible for the credit. As such, DOR estimates an aggregate credit of \$470,000 (6,290 x 75% x \$100) for volunteer EMS practitioners.

The Department of Safety and Professional Services indicates that there are 17,499 volunteer fire fighters in Wisconsin and another 4,563 fire fighters who combine paid and volunteer work. The National Fire Protection Association, U.S. Fire Department Profile for 2017 indicates that about 64% of volunteer fire fighters would be eligible for the credit. This suggests that depending on the claimant status of fire fighters who combine paid and volunteer work, the aggregate credit amount for volunteer fire fighters could be \$1.1 million to \$1.4 million annually.

Assuming the portion of the total credit that is used to offset liability is similar to existing non-business, nonrefundable credits, individuals will use about 84% of these new credits. After combining fire fighters and EMS practitioners and adjusting for the unused portion of nonrefundable credits, DOR expects the bill will result in an annual revenue loss of \$1.6 million to \$1.9 million.

To the extent that a percentage of volunteers do not meet the participation standards in the bill, the cost of the credit would be lower. Moreover, to the extent that a portion of emergency responders volunteer in multiple roles, they would be double counted above, overstating the fiscal effect of the credit.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4281/1		Introduction Number AB-0469	
Description a nonrefundable volunteer fire fighters and emergency responders tax credit			
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		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Jamie Adams (608) 266-6785		Jamie Adams (608) 266-6785	10/1/2019