

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>19-2321/1</b>	<b>Introduction Number</b> <b>SB-135</b>
<b>Description</b> creating two tax credits for volunteer emergency responders	
<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 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 checked="" 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 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 Oakleaf (608) 261-5173
<b>Date</b> 3/12/2019	

## Fiscal Estimate Narratives

DOR 3/12/2019

LRB Number	19-2321/1	Introduction Number	SB-135	Estimate Type	Original
<b>Description</b> creating two tax credits for volunteer emergency responders					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates two nonrefundable individual income tax credits for Wisconsin residents who are volunteer fire fighters, emergency medical responders, and emergency medical services practitioners. The credits will be effective for tax year 2019 if the bill is enacted prior to August 1, 2019.

The emergency responder credit equals \$20 for each hour a volunteer emergency responder spends on active duty, in training exercises, or in class completing qualified coursework. The maximum credit amount is \$1,000 for an individual who is a volunteer fire fighter or volunteer emergency medical responder; it is \$2,000 for an individual who is both.

The emergency responder reimbursement credit equals the volunteer's unreimbursed expenses related to gear, equipment, and use of a personal vehicle to attend training. The maximum credit amount is \$400 for an individual who is a volunteer fire fighter or volunteer emergency medical responder; it is \$800 for an individual who is both.

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 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. That suggests that the credits could have as many as 23,789 to 28,352 claims depending on the claimant status of fire fighters who combine paid and volunteer work. Individuals who are counted as both EMS practitioners and fire fighters, would be eligible for twice the credit amount.

It is not clear whether the average credit claim will approach the maximum \$1,000 for the emergency responder credit or the maximum \$400 for the emergency responder reimbursement credit. However, it appears likely that most claimants will have the necessary hours (1 hour/week) and expenses (\$8/week) to claim the full credits. If they do, the total credit amount will be as much as \$33.3 million to \$39.7 million. 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. Thus, the bill will result in an annual revenue loss of \$28.0 million to \$33.3 million.

To the extent that fewer individuals claim the credit or average claims are significantly below the maximum, the fiscal effect of the credit will be smaller. To the extent that more individuals claim the credit or use a larger share of the credit to offset tax liability the fiscal effect will be larger.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number <b>19-2321/1</b>		Introduction Number <b>SB-135</b>	
<b>Description</b> creating two tax credits for volunteer emergency responders			
<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>	
DOR/ Bradley Caruth (608) 261-8984		Michael Oakleaf (608) 261-5173	
		<b>Date</b>	
		3/12/2019	