

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>19-3240/1</b>	<b>Introduction Number</b> <b>SB-287</b>
<b>Description</b> creating three refundable tax credits for volunteer emergency responders and making an appropriation	
<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 type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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      0 <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 20.835(2)(er), 20.835(2)(es), 20.835(2)(et)	
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Michael Oakleaf (608) 261-5173
<b>Date</b> 6/25/2019	

## Fiscal Estimate Narratives

DOR 6/25/2019

LRB Number	19-3240/1	Introduction Number	SB-287	Estimate Type	Original
<b>Description</b> creating three refundable tax credits for volunteer emergency responders and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a refundable emergency responder service credit, a refundable emergency responder education and training credit, and a refundable emergency responder mileage and equipment credit. Moreover, the bill creates three new GPR sum sufficient appropriations for the new credits.

#### Emergency Responder Service Credit

Under the bill, volunteer fire fighters, emergency medical responders, emergency medical services practitioners, and ambulance drivers may claim a refundable credit equal to \$300 for volunteers who have served for one to five years, and \$600 for volunteers who have served for more than five years. To be eligible for the credit, claimants must be in good standing with their department and must have either completed 40 hours of qualifying service, or participated in at least 50 percent of the department's calls or incidents during the taxable year.

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 24% of EMS practitioners would be eligible for the \$300 credit and 75% would be eligible for the \$600 credit. As such, DOR estimates an aggregate credit of \$3.3 million ( $6,290 \times 24\% \times \$300 + 6,290 \times 75\% \times \$600$ ) 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 26% of volunteer fire fighters would be eligible for the \$300 credit and about 64% of volunteer fire fighters would be eligible for the \$600 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 \$8.1 million to \$10.2 million annually.

The Bureau of Labor Statistics Occupational Database only indicates 180 individuals who are employed in Wisconsin as ambulance drivers, excluding those individuals who are emergency medical technicians. Assuming a similar number of volunteer ambulance drivers and assuming a similar profile for years of service as other emergency medical responders, volunteer ambulance drivers could claim approximately \$90,000 of credit ( $180 \times 24\% \times \$300 + 180 \times 75\% \times \$600$ ).

Combining volunteers who are EMS practitioners, fire fighters, or ambulance drivers, suggests the credit would cost \$11.5 million to \$13.6 million annually. 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.

#### Emergency Responder Education and Training Credit

As with the emergency responder service credit qualifying claimants under this credit must volunteer as fire fighters, emergency medical responders, emergency medical services practitioners, or ambulance drivers. The credit is equal to \$20 per hour up to a maximum of \$500 for the time that the first responder spends in class or in training exercises to obtain or maintain emergency responder certification.

As noted above, DOR estimated a potential first responder count of 23,969 to 28,532. If the average claimant spends enough hours in training to maximize the credit, it would reduce revenue by \$12.0 million to \$14.3 million annually. The actual fiscal effect will be smaller to the extent that individuals have fewer qualifying hours or individuals volunteer in multiple roles and are double counted in the estimate.

#### Emergency Responder Mileage and Equipment Credit

Volunteers may claim a credit for up to \$200 of unreimbursed expenses related to gear and equipment that are primarily used while serving as an emergency responder. They may also claim unreimbursed miles traveled in their personal vehicle to attend training related to service as an emergency responder (miles multiplied by the IRS standard business mileage rate). The combined credit maximum is \$400 between equipment and mileage. Supposing 23,969 to 28,532 individuals each claim \$400, the total credit would be \$9.6 million to \$11.4 million. As with the other credits, the actual fiscal effect of this credit will be smaller to the extent that individuals have fewer unreimbursed expenses or individuals volunteer in multiple roles and are double counted in the estimate.

#### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> creating three refundable tax credits for volunteer emergency responders and making an appropriation		
<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	\$See Text	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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