

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # --2907/1

INTRODUCTION # AB 300

Admin. Rule #

Subject

Property Tax Lottery Credit

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No

Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others City of Milwaukee
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

Under the bill, \$2.9 million of net proceeds from bingo and pari-mutuel on-track betting, which are currently GPR funds, would be combined with lottery net proceeds in a new segregated (SEG) gaming fund, which would be used to pay a property tax gaming credit. The new credit would replace the lottery credit under current law.

The gaming credit under the bill is modeled on the lottery credit in effect from 1992 to 1995. To claim the credit, the owner of a qualifying property must precertify with the county or City of Milwaukee treasurer, attesting that he used the property as his primary residence on the previous January 1. The claim is valid for five years.

The department estimates that 1.3 million properties will qualify for the new credit, which will average \$94 in 1999-2000. In contrast, the lottery credit under current law is distributed to all 3 million descriptions of real and personal property. If the current law credit is not repealed it will average \$41 in 1999-2000.

Counties and the City of Milwaukee would incur costs associated with printing and mailing applications, taxpayer assistance, reporting requirements, and programming changes. These costs would be defrayed by a \$.50 per claim reimbursement paid in the year following precertification. Reimbursement monies, estimated at \$650,000 [\$.50 x 1.3 million claims] paid once every five years, would come from the gaming fund.

The department would incur costs associated with taxpayer and local government assistance, rule making, and auditing of claims. The department would require an additional three FTE positions to administer the credit under the bill: two auditors and one programmer. Total personnel and administrative costs under the

(continued on page two)

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Rebecca Boldt, (608) 266-6785	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	4/27/99

bill are estimated to increase by \$210,900 annually. In addition, there is a one-time cost of \$9,400 for computers and office equipment.

The addition of pari-mutuel and bingo revenue to the gaming fund will add complexity to the department's accounting of the fund and would require programming changes and increased staff time to oversee the fund, the cost of which can be absorbed.

YEB 4/27/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Property Tax Lottery Credit

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

one-time cost of \$9,400 for computers and office equipment

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$ 141,200	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs	69,700	-
Local Assistance		-
Aids to Individuals or Organizations	2,900,000	-
TOTAL State Costs by Category	\$ 3,110,900	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	3,110,900	-
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	\$	\$ - 2,900,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S	2,900,000	-
TOTAL State Revenues	\$ 2,900,000	\$ - 2,900,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 3,110,900	\$ See text of fiscal note.
NET CHANGE IN REVENUES	\$	\$ 650,000 (FY 2001)

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