

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-3922/3
INTRODUCTION # AB 655
Admin. Rule #

Subject
 Technical Changes to State Budget Law

Fiscal Effect

- State:** No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be Possible to Absorb
Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriation | <input checked="" type="checkbox"/> Decrease Existing Revenues | |
| <input type="checkbox"/> Create New Appropriation | | |
- Decrease Costs

Local: No Local Government Costs

- | | | |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill makes several changes to provisions enacted in 1999 Wisconsin Act 9:

- 1) The Department of Revenue retains 2.55% of taxes it collects on behalf of the local exposition center district to cover its administrative costs. The bill provides that the balance of these retained taxes in excess of 10% of the Department's expenditures be paid to the expo district. This expenditure is not expected to be significant.
- 2) Prior to Act 9 an inter vivos trust was considered to be resident of the state in which it was administered; thus, trusts administered in Wisconsin were taxed by Wisconsin. Under Act 9, effective for trusts made irrevocable on or after October 29, 1999, an inter vivos trust is resident of the state in which the grantor (the person establishing the trust) resides. This bill makes further changes for inter vivos trusts made irrevocable before October 29, 1999, which was the effective date of Act 9. It provides that such trusts are, first, resident in the state where they are administered only if they are administered in Wisconsin, and, second, are resident where the grantor resides if they are first administered in Wisconsin on or after October 29, 1999. Under these changes, trusts made irrevocable before October 29, 1999, and first administered in the state for taxable years beginning January 1, 1999, are taxable by the state if the grantor is a state resident, but not taxable if the grantor resides in another state. The fiscal effect of this provision is unknown because it is not known how many inter vivos trusts that were made irrevocable and administered in another state prior to October 29, 1999, will be administered in Wisconsin on or after that date.
- 3) The bill corrects the date of the creation of Sheboygan County in language created in Act 9 relating to a Tax Incremental District Number Six in the City of Sheboygan. This change has no fiscal effect.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Dennis Collier, (608) 266-5773	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	2/3/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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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 State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance	Minimal	-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS	Minimal	-
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	\$	\$ - Unknown
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - Unknown

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ Minimal +	\$
NET CHANGE IN REVENUES	\$ Unknown	\$

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
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