

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

LRB # 99-4196/1
 INTRODUCTION # AB 695
 Admin. Rule #

Subject

Restore School Property Tax Rent Credit for Tax Years 1999 and 2000

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. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease 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 |
|--|--|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.566 (1)(a)

Assumptions Used in Arriving at Fiscal Estimate:

This bill restores, for tax years 1999 and 2000, the school property tax/rent credit that was eliminated by 1999 Wisconsin Act 10. The credit would be 8.4% of the first \$2,000 (\$1,000 for married persons filing separately) of property taxes or rent constituting property taxes, up to a maximum credit of \$168 (\$84 for married separate filers).

Based on a simulation using the 1997 Individual Income Tax Model, restoring the school property tax/rent credit for tax years 1999 and 2000 at the levels specified above will reduce income tax revenues by \$213 million in tax year 1999 and \$194 million in tax year 2000.

Since 1999 tax forms and instructions have already been sent to tax filers, and many returns have already been filed, the Department of Revenue would have to send a special credit application form to all tax filers. As a result, the department would incur one-time administrative costs of \$1.9 million in FY 01 for programming, costs of advertising the reinstated credit, printing and distributing the special credit forms, providing taxpayer assistance, and processing special credit forms. Additionally, eliminating the credit for tax year 2001 and thereafter would result in one-time administrative costs of \$16,800 for programming in FY02.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/20/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Restore School Property Tax Rent Credit for Tax Years 1999 and 2000

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

-\$213 million GPR taxes in FY00 and -\$194 million GPR taxes in FY01, administrative costs of \$1,900,700 in FY01 and \$16,800 in FY02.

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		-
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		-
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 REVENUES	\$ _____	\$ _____

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