

1999 DRAFTING REQUEST

Bill

Received: **09/13/1999**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Glenn Grothman (608) 264-8486**

By/Representing: **Maggie**

This file may be shown to any legislator: NO

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income**
Tax - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Create individual tax exemptions

Instructions:

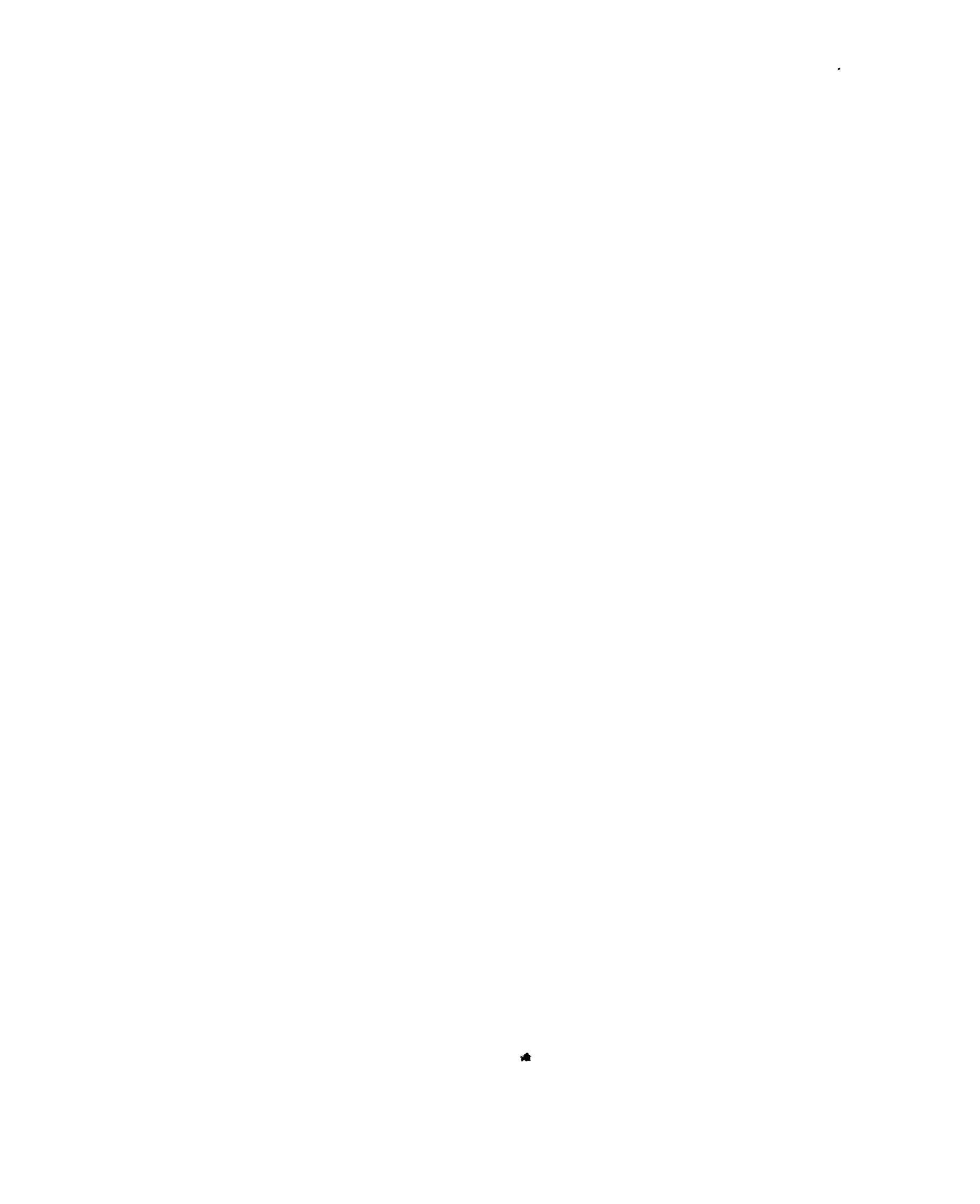
See Attached. Create \$4,000 tax exemption for individuals, spouses and dependents, based on Gov's budget proposal, 1999 LRB -1917/1, and LFB issue paper # 102

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	shoveme 09/14/1999	jgeller 0911411999	martykr 09/15/1999	_____	lrb_docadmin 09/15/1999	lrb_docadminS&L 09/16/1999	T a x

FE Sent For: **09/16/1999.**

<END>



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See Attached. Create \$4,000 tax exemption for individuals, spouses and dependents, based on Gov's budget proposal, 1999 LRB -1917/1, and LFB issue paper # 102

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/1	shoveme 09/14/1999	jgeller 09/14/1999	martykr 09/15/1999	_____	lrb_docadmin 09/15/1999		S&L Tax

FE Sent For:

<END>

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Subject: Tax - individual income
Tax - miscellaneous

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Topic:

Create individual tax exemptions

Instructions:

See Attached. Create \$4,000 tax exemption for individuals, spouses and dependents, based on Gov's budget proposal, 1999 LRB -1917/1, and LFB issue paper # 102

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Reauired</u>
1?	shoveme	1 9/14 jlg km 9/14		JF 9/15 km 9/15			
<i>(1 MES 9/14/99)</i>							

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton St.
(608) 266-3567

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.
Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: <i>9-13-99</i>	Legislator or agency requesting this draft: <i>Rep. Grothman</i>
Name/phone number of person submitting request: <i>Rep. Glenn Grothman 4-8486</i>	
Persons to contact for questions about this draft (names and phone numbers please): <i>Maggie 4-8486</i>	
Describe the problem, including any helpful examples. How do you want to solve the problem? <i>Rep. Grothman wants a bill that provides a \$4,000 annual exemption for each taxpayer, the taxpayer's spouse, and for each dependent. This is similar to the Governor's proposed budget (LFB paper # 102) - Rep. Grothman would like to raise it to \$4000 annual.</i>	
If you know of any statute sections that might be affected, please list them or provide a marked (not retyped) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO

Any legislator? YES NO CI ONLY the following persons:

Do you consider this urgent? YES NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:



Legislative Fiscal Bureau

One East Main, Suite 301 . Madison, WI 53703 . (608) 266-3847 . Fax: (608) 267-6873

June 7, 1999

Joint Committee on Finance

Paper #102

Individual Income Tax Modifications: Personal Exemptions and Credits (General Fund Taxes -- Individual and Corporate Income Taxes)

[LFB 1999-01 Budget Summary: Page 20, #1]

CURRENT LAW

Under current law, Wisconsin provides a \$50 credit for each dependent of the taxpayer. The taxpayer or spouse are not eligible for the credit. The state also provides a \$25 credit for taxpayers who are 65 years of age or older. For married couples filing a joint return, a total of \$50 may be provided if both individuals are over 65. Beginning with the 1997 tax year, the senior credit is phased out for married taxpayers filing joint returns with Wisconsin adjusted gross income (AGI) over \$40,000, single taxpayers with AGI over \$30,000 and married-separate taxpayers with AGI over \$20,000. The credit phases out over the next \$1,000 in income until it is eliminated. Both the dependent and senior credits are nonrefundable; that is, they may be used to reduce tax to zero, but a check from the state is not provided if the amount of the credit exceeds tax liability.

GOVERNOR

Eliminate the dependent and senior credits and, instead, provide personal exemptions beginning in tax year 2000. For the 2000 tax year, a \$600 personal exemption would be provided for each taxpayer, the taxpayer's spouse and for each dependent. The personal exemption would increase to \$700 in tax year 2001 and thereafter.

Provide an additional \$200 exemption in tax year 2000 for each taxpayer who has reached age 65 before the end of the tax year (two exemptions would be provided if both the taxpayer and their spouse are 65 at the end of the year). The additional exemption would be increased to \$250 for tax year 2001 and thereafter. Thus, for each taxpayer age 65 or over the total exemption would be \$800 in 2000 and \$950 in 2001 and thereafter.

Individuals who can be claimed as a dependent on another person's return would not be eligible for a personal exemption.

DISCUSSION POINTS

1. The personal exemptions proposed under the bill would be subtracted, along with the standard deduction; from Wisconsin AGI in calculating Wisconsin taxable income, which is the amount of income subject to tax. Wisconsin taxable income is multiplied by the applicable tax rates to arrive at gross tax. Finally, credits are subtracted from gross tax to arrive at net tax liability, which is the amount of tax due to the state. The current law dependent credit and the proposed personal exemption are a means to account for family size in the calculation of the amount of tax owed. The senior credit and proposed senior exemption are a way to account for a lesser ability to pay taxes due to a fixed income and higher medical expenses that may be experienced by senior taxpayers.

2. At the federal level, a family size adjustment is made by providing a \$2,700 personal exemption for the taxpayer, spouse and dependent in 1998. The federal personal exemption is increased for changes in inflation and is projected to be \$2,750 in 1999. In addition, a higher standard deduction above the regular standard deduction is provided for each federal taxpayer age 65 and over. The higher standard deduction is \$850 per person for married-joint and married-separate taxpayers and \$1,050 for single and head-of-household taxpayers in 1998. Although also indexed for changes in inflation, these amounts are not expected to change in 1999.

3. Of the 43 states, plus the District of Columbia, that imposed an individual income tax in 1997, all but four (Louisiana, New York, Pennsylvania and Wisconsin) provided a personal exemption or credit for the taxpayer or spouse and all but four (Connecticut, New Hampshire, Pennsylvania and Tennessee) provided an exemption or credit for each dependent. Finally, thirty states also provided an additional exemption or credit for senior citizens. In general, 34 states provided these tax benefits in the form of an exemption and nine provided a credit.

Personal Exemptions

4. Although all taxpayers would be eligible for a \$600 personal exemption in 2000 and a \$700 personal exemption in 2001 and thereafter, the exemption's impact on tax liability would be different based on which tax bracket the individual's taxable income falls in. The following chart shows the income tax rates and brackets under the bill.

Governor's Proposed Rates and Brackets
Tax Years 2000 and 2001

<u>Taxable Income Brackets</u>			<u>Marginal Tax Rates</u>	
<u>Single</u>	<u>Married-Joint</u>	<u>Married-Separate</u>	<u>2000</u>	<u>2001 and Thereafter</u>
Less than \$7,500	Less than \$10,000	Less than \$5,000	4.73%	4.60%
7,500 to 15,000	10,000 to 20,000	5,000 to 10,000	6.33	6.15
15,000 to 112,500	20,000 to 150,000	10,000 to 75,000	6.55	6.50
112,500 and Over	150,000 and Over	75,000 and Over	6.75	6.75

5. The \$700 personal exemption in 2001 would be worth \$32 for taxpayers in the lowest tax bracket. This amount is derived by multiplying the exemption amount by the taxpayer's marginal tax rate as follows: $\$700 \times 4.60\% = \32 . However, the \$700 personal exemption would be worth \$47 for taxpayers in the top tax bracket, calculated as follows: $\$700 \times 6.75\% = \47 . The table below shows the value of the proposed personal exemption for each tax bracket in 2000 and 2001.

	<u>Value of Personal Exemption Based on Taxable Income Bracket</u>			
	<u>1st Bracket</u>	<u>2nd Bracket</u>	<u>3rd Bracket</u>	<u>4th Bracket</u>
\$600 Exemption in 2000	\$28	\$38	\$39	\$41
\$700 Exemption in 2001	32	43	46	47

6. Since credits are calculated after the tax rates and brackets are applied, the dependent credit provided under current law is the same for each dependent, regardless of income. In contrast, the value of the proposed personal exemptions would increase as the taxpayer's income rises. Therefore, it can be argued that replacing the current credit with an exemption would add an element of regressivity to the income tax.

7. The bill could be modified to replace the personal exemptions with a \$40 credit in 2000 and a \$46 credit in 2001. These amounts represent the value of the proposed personal exemption for the majority of taxpayers. A \$40 credit was used in 2000 so that no taxpayer in the third bracket would pay more taxes under this alternative (\$40 reflects "rounding-up" the value of the \$600 exemption in 2000). Under this option, taxpayers in the first and second brackets would have a tax decrease and individuals in the top tax bracket would pay more taxes. The alternative would reduce income tax revenues by an estimated \$8.6 million in tax year 2000 and \$9.2 million in 2001 from the amounts provided in the bill. Due to the interaction of the various income tax modifications proposed in the bill, the fiscal effect of this change and other changes would differ if other revisions are made to the Governor's proposal.

8. The table above also shows that the exemption would be worth less than the current \$50 dependent credit, even for taxpayers in the top tax bracket. However, taxpayers would still receive a tax decrease under the bill because the proposed personal exemption would be provided for the taxpayer and spouse, who are currently not eligible for the dependent credit. An alternative

to retain the \$50 dependent credit and to extend the credit to the taxpayer and spouse would increase the cost of the Governor's proposal by an estimated \$49.8 million in tax year 2000 and \$25.6 million in tax year 2001.

9. If the proposed personal exemption were deleted from the bill and the current law dependent credit were retained, it would increase revenues by an estimated \$90.2 million in tax year 2000 and \$115.4 million in 2001.

Senior Exemption

10. The same observations related to the proposed personal exemption also apply to the senior exemption. The \$250 personal exemption in 2001 would be worth \$12 for taxpayers in the lowest tax bracket ($\$250 \times 4.60\% = \12), whereas the same exemption would be worth \$17 for taxpayers in the top tax bracket ($\$250 \times 6.75\% = \17). The table below shows the value of the proposed senior exemption for each tax bracket in 2000 and 2001.

	<u>Value of Senior Exemption Based on Taxable Income Bracket</u>			
	<u>1st Bracket</u>	<u>2nd Bracket</u>	<u>3rd Bracket</u>	<u>4th Bracket</u>
\$200 Exemption in 2000	\$9	\$13	\$13	\$14
\$250 Exemption in 2001	12	15	16	17

11. As with the personal exemption, the bill could be modified to replace the senior exemption with a \$14 credit in 2000 and a \$17 credit in 2001 at an estimated cost of \$700,000 in tax year 2000 and \$800,000 in tax year 2001. These credit amounts are the value of the proposed senior exemption for the majority of taxpayers "rounded-up" so there would be no taxpayers in the third bracket with an increase.

12. Again, as in the case of the personal exemption, the value of the proposed senior exemption would be worth less than the current \$25 senior credit. However, all senior taxpayers would be eligible for the exemption regardless of income under the bill (as noted above, the senior credit is currently limited to taxpayers with income below certain thresholds). It would cost an estimated \$2.1 million in tax year 2000 and \$1.3 million in tax year 2001 to return to current law and retain the \$25 senior credit for lower-income seniors. An option to retain the \$25 credit and extend it to senior taxpayers at all income levels would cost an estimated \$3.8 million in tax year 2000 and \$3.0 million in tax year 2001 as compared to the bill.

Filing Thresholds

13. Under current law, individuals and married couples are not required to file a state individual income tax return unless their gross income exceeds a threshold amount established by the Department of Revenue (DOR) according to statutory guidelines. The current filing thresholds equal the maximum state standard deduction and an additional amount to reflect the senior citizen credit. The Department may adjust the thresholds annually to reflect changes in the standard deduction, senior credit and tax rates.

14. The current filing thresholds do not reflect the working families credit because statutory authority to do so was not granted when the credit was created. In addition, the bill would not grant authority for the thresholds to be adjusted to reflect the proposed personal exemption and senior exemption.

15. In April of 1999, the Joint Committee on Finance recommended Substitute Amendment 1 to 1999 Senate Bill 49 for passage. The substitute amendment directs DOR to annually adjust the filing thresholds to reflect the gross income level at which no taxpayer would have a state tax liability. The thresholds would be based on whether the taxpayer is filing a single, head-of-household, married-joint or married separate return and whether the taxpayer is 65 years of age or over. The substitute amendment was passed by the Senate on May 18.

16. The budget bill could be modified to incorporate the provisions of the substitute amendment to SB 49. This would allow DOR to adjust the filing thresholds to reflect the personal exemptions and senior exemptions, if enacted into law. It would also allow DOR to adjust the filing thresholds to reflect the working families credit in tax year 1999 and thereafter if the credit is retained. This modification would not be necessary if SB 49 is enacted into law prior to the Fall of 1999.

ALTERNATIVES

1. Adopt the Governor’s recommendation to eliminate the dependent and senior credits and provide a \$600 personal exemption in 2000 and a \$700 personal exemption in 2001 and thereafter. Also, provide an additional \$200 senior exemption in 2000 and a \$250 exemption in 2001 and thereafter.

Personal Exemption

2. Modify the Governor’s recommendation by eliminating the proposed personal exemption and providing a \$40 personal exemption credit in 2000 and a \$46 personal exemption credit in 2001 and thereafter at a cost of \$8600,000 in 2000-01. The personal exemption credit would be provided for the taxpayer, the taxpayer’s spouse and each dependent.

Alternative 2	GPR
1999-01 REVENUE (Change to Bill)	- \$8,600,000

3. Modify the Governor’s recommendation by eliminating the proposed personal exemption and providing a \$50 personal exemption credit in 2000 and thereafter at an estimated cost of \$49,800,000 in 2000-01. The personal exemption credit would be provided for the taxpayer, the taxpayer’s spouse and each dependent.

Alternative 3	GPR
1999-01 REVENUE (Change to Bill)	- \$49,800,000

4. Maintain current law. Under this alternative, the proposed personal exemption would be deleted and the \$50 dependent credit would be retained. The dependent credit is only provided for each dependent of the taxpayer. This alternative would increase revenues by an estimated \$90,200,000 in 2000-01.

Alternative 4	GPR
1999-01 REVENUE (Change to Bill)	\$90,200,000

Senior Exemption

5. Modify the Governor's recommendation by eliminating the proposed senior exemption and providing a \$14 senior credit in 2000 and a \$17 senior credit in 2001 and thereafter at an estimated cost of \$700,000 in 2000-01. The credit would be provided to all taxpayers who are 65 or older, regardless of income.

Alternative 5	GPR
1999-01 REVENUE (Change to Base)	- \$700,000

6. Modify the Governor's recommendation by eliminating the proposed senior exemption and providing a \$25 senior credit in 2000 and thereafter for all taxpayers who are 65 or older, regardless of income. This alternative would reduce income tax revenues by an estimated \$3,800,000 in 2000-01.

Alternative 6	GPR
1999-01 REVENUE (Change to Base)	- \$3,800,000

7. Maintain current law. Under this alternative, the proposed senior exemption would be deleted and the \$25 senior credit would be retained for lower-income taxpayers. Revenues would be reduced by an estimated \$2,100,000 in 2000-01 under this alternative.

Alternative 7	GPR
1999-01 REVENUE (Change to Bill)	- \$2,100,000

Filing Threshold

8. Allow DOR to adjust the filing thresholds to reflect the gross income level at which no taxpayer would have a state tax liability.

Prepared by: Kelsie Doty



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~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

Handwritten initials: gen (circled)

1 AN ACT ~~relating to~~ relating to: creating a personal individual income tax exemption. ✓

Analysis by the Legislative Reference Bureau

The bill creates a personal individual income tax exemption for a taxpayer, the taxpayer's spouse and the taxpayer's dependents. The amount of the personal exemption is \$4,000⁴ for each of these persons.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 71.01 (16)^x of the statutes is amended to read:

3 71.01 (16) "Wisconsin taxable income" of natural persons means Wisconsin
4 adjusted gross income less the Wisconsin standard deduction, less the personal
5 exemption described under s. 71.05 (23),[✓] with losses, depreciation, recapture of
6 benefits, offsets, depletion, deductions, penalties, expenses and other negative

1 income items determined according to the manner that income is or would be
2 allocated, except that the negative income items on individual or separate returns
3 for net rents and other net returns which are marital property attributable to the
4 investment, rental, licensing or other use of nonmarital property shall be allocated
5 to the owner of the property

6 History: 1987 a. 312; 1987 a. 411 ss. 6 to 8, 26, 27, 31; 1989 a. 100.336; 1991 a. 39,269; 1993 a.16, 112, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237.

6 SECTION 2. 71.05 (23) of the statutes is created to read:

7 71.05 (23) PERSONAL EXEMPTIONS. (a) In computing Wisconsin taxable income
8 and subject to par. (b), an individual taxpayer may subtract the following amounts:

9 1. A personal exemption of \$4,000 if the taxpayer is required to file a return
10 under s. 71.03 (2) (a) 1. or 2. and \$4,000 for the taxpayer's spouse, except if the spouse
11 is filing separately or as a head of household.

12 2. An exemption of \$4,000 for each individual for whom the taxpayer is entitled
13 to an exemption for the taxable year under section 151 (c) of the Internal Revenue
14 Code.

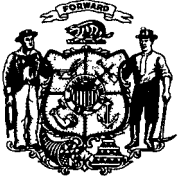
15 (b) With respect to persons who change their domicile into or from this state
16 during the taxable year and nonresident persons, personal exemptions under par. (a)
17 shall be limited to the fraction of the amount so determined that Wisconsin adjusted
18 gross income is of federal adjusted gross income. In this paragraph, for married
19 persons filing separately "adjusted gross income" means the separate adjusted gross
20 income of each spouse and for married persons filing jointly "adjusted gross income"
21 means the total adjusted gross income of both spouses. If a person and that person's
22 spouse are not both domiciled in this state during the entire taxable year, their
23 personal exemptions on a joint return are determined by multiplying the personal
24 exemption that would be available to each of them if they were both domiciled in this

1 state during the entire taxable year by a fraction the numerator of which is their joint
2 Wisconsin adjusted gross income and the denominator of which is their joint federal
3 adjusted gross income.

4 **SECTION 3. Initial applicability**

5 (1) This act first applies to taxable years beginning on January 1 of the year
6 in which this subsection [✓]takes effect, except that if this subsection takes effect after
7 July 31 this act first applies to taxable years beginning on January 1 of the year
8 following the year in which this subsection [✓]takes effect.

9 (END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION (606) 266-3561
REFERENCE SECTION (606) 266-0341
FAX (606) 266-5646

STEPHEN R. MILLER
CHIEF

October 19, 1999

LRB
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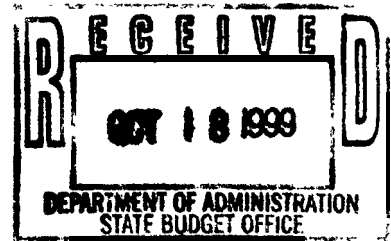
MEMORANDUM

To: Representative Grothman

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 un-introduced** (LRB 99-3603/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.



MEMORANDUM

October 18, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun ^{YEB}
Department of Revenue

SUBJECT: Technical Memorandum on LRB 3603/1, Relating to an Individual Income Tax Personal Exemption

We would like to make two suggestions that the sponsor may wish to incorporate into this bill. First, the personal exemptions for the tax filer and spouse in sec. 71.05 (23)(a) 1 would eliminate tax liability for some tax filers. If the sponsor desires, sec. 71.03 (2)(a) 1 could be amended to allow the filing requirements to be adjusted for these exemption amounts. Filing requirements should be adjusted only for the exemptions for the filer and spouse, not for exemptions for dependents.

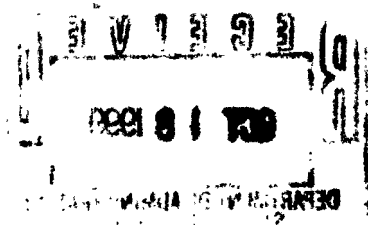
Second, the bill would provide a personal exemption for dependents in addition to a credit already provided in sec. 71.07 (8)(b). Rather than providing two separate benefits for dependents, the sponsor may wish to provide just one, by repealing the existing credit. This would reduce the income tax reduction by approximately \$75 million.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
one-time	s. 20.566 (1) (a)	\$75,600	
annual	s. 20.566 (1) (a)	\$227,900	

If you have any questions regarding this technical memorandum, please contact Dennis Collier at 266-5773; for administrative costs contact Pat Lashore at 266-3347.

YEB:DC:ds
t:\fsn99-00\dc\lrb36031.tec



LRB
2

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

LRB # 3603/1
INTRODUCTION # AR 952
Admin. Rule #

Subject
Individual Income Tax Personal Exemption

Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation <input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation	<input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local: <input type="checkbox"/> 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 <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Ch. 20 Appropriations 20.566 (l)(a)
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Assumptions Used in Arriving at Fiscal Estimate:

This bill would create a personal exemption of \$4,000 for each tax filer, spouse and dependent, except that filers who are claimed as dependents on another's return would not be allowed an exemption. A simulation on the 1997 Wisconsin individual income tax model, adjusted to reflect current law and the change in the number of tax filers and dependents between 1997 and 2000, indicates that this would reduce tax revenues by \$1 billion in tax year 2000.

The Department would incur annual costs of \$227,900 to process returns with the new exemption and to issue additional refunds. One-time costs for programming and other development would be \$75,600.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Dennis Collier, (606) 2664773	Authorized Signature/Telephone No. Yeang-Eng Braun (606) 266-2700 <i>Yeang Eng Braun</i>	Date 10/18/99
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

INTRODUCTION # AB 952

Subject
Individual Income Tax Personal Exemption

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

One-time costs of \$75,600

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$ 72,000	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs	155,900	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$ 227,900	
B. State Costs by Source of Funds	Increased	Decreased Costs
GPR	\$ 227,900	\$ -
FED		-
PRO/PRS		-
SEGISSEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, & crease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -1.0 billion
GPR Earned		-
FED		-
PROIPRS		-
SEGISSEG-S		-
TOTAL State Revenues	\$	\$ -1.0 billion

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	<u>\$ 227,900</u>	<u>\$</u>
NET CHANGE IN REVENUES	<u>\$ -1,000,000,000</u>	<u>\$</u>

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Dennis Collier, (606) 266-6773	Yeang-Eng Braun (606) 266-2700 <i>Yeang Eng Braun</i>	10/18/99