

1999 Session

FISCAL ESTIMATE

ORIGINAL UPDATED

DOA-2048 N(R10/98)

CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

SB 49

(99-1226/1)

Amendment No. if Applicable

Subject

Increase the Individual Income Tax Filing Threshold for Certain Elderly Taxfilers

Fiscal Effect

State: 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 | |

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 _____
- 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

The bill increases the individual income tax filing threshold to the amount of the federal filing threshold for married couples filing a joint return when both spouses are 65 years old or older. In 1999, the first year that the bill can take effect, the state filing threshold for married couples filing jointly when both spouses are elderly is expected to be \$10,088. In the same year, the federal filing threshold for the same filers is expected to be \$14,400. Consequently, the state filing threshold for joint filers with two elderly spouses will be \$14,400 in 1999. For all subsequent years, the filing threshold will be greater than this amount because the federal filing threshold is indexed for inflation.

This bill does not affect income tax revenues. The Working Families Tax Credit, first effective in tax year 1998, already eliminates net tax liability for all joint tax filers when Wisconsin adjusted gross income (WAGI) is below \$18,000 and reduces net tax liability for filers when WAGI is between \$18,000 and \$19,000. Therefore, the bill does not reduce tax liability by increasing the filing threshold. It does, however, remove the burden of filing a return for approximately 18,000 filers.

Long-Range Fiscal Implications

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