

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-4469/1
INTRODUCTION # SB 459
Admin. Rule #

Subject
 Restore SPTC for TY 2000 and Thereafter and Allow Claims for Property Taxes Paid in Previous Year

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 checked="" 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
<input type="checkbox"/> Decrease Existing Appropriation	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

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 restores, for tax year 2000 and thereafter, the school property tax credit that was eliminated by 1999 Wisconsin Act 10. The credit would be 10% 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 \$200 (\$100 for married separate filers). The bill also allows filers to claim the school property tax credit for property taxes paid in the year prior to the tax year for which the credit is claimed, if the school property tax credit was not claimed on those taxes in that previous year. This bill would reduce income tax revenues by a total of \$233.5 million annually.

Based on a simulation using the 1997 Individual Income Tax Model, restoring the school property tax/rent credit at the levels specified above will reduce income tax revenues by \$231 million annually.

A comparison of school property tax/rent credit claims for tax years 1996 and 1997 indicates that approximately 68,000 tax filers claim the school property tax/rent credit in only one of those years. This translates into an average of 34,000 tax filers claiming the credit each year. Allowing these filers to claim the credit for property taxes paid in two consecutive years would reduce income tax revenues by an additional \$2.5 million annually.

The Department would also incur one-time costs for programming and information technology of \$76,000 and additional annual costs of \$33,200 for printing additional pages in tax booklets and instructions.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	Date 4/3/00
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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

\$76,000 for programming and information technology

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	33,200	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 33,200	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 33,200	\$ -
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	\$	\$ - 233,500,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 233,500,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 33,200	\$
NET CHANGE IN REVENUES	\$ -233,500,000	\$

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	4/3/00