

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL     UPDATED
- CORRECTED     SUPPLEMENTAL

LRB # 99-4686/2
INTRODUCTION # SB 494
Admin. Rule #

**Subject:**  
 Exempt Interest from Bonds Used for Renovation of Lambeau Field from Income Tax

**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 checked="" 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 type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
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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	

<b>Fund Sources Affected</b> <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	<b>Affected Ch. 20 Appropriations</b>
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**Assumptions Used in Arriving at Fiscal Estimate:**

The proposed legislation exempts from income taxation any interest on bonds that a county may issue for purposes related to the construction and renovation of football stadium facilities.

The revenue effect would depend on the size of the bond offering, the interest rate on the bonds, the amounts of bonds held by individuals subject to Wisconsin tax and the tax rates imposed on these bond holders (rates on individuals range from 4.6% to 6.75% beginning in tax year 2001).

Assuming an issue of \$160 million, an annual interest rate of 6.25% and an average marginal tax rate of 6.5%, the first year revenue loss if all bonds were issued and held by individuals subject to Wisconsin income tax would be about \$650,000 (\$160 million X .0625 X 0.065). With an issue totaling \$160 million, a 6.25% interest rate and a 30-year repayment period, the total revenue loss over the repayment period would be about \$12.7 million, assuming that the bonds are maturing as serial bonds.

**Long-Range Fiscal Implications:**

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Jacek J. Cianciara, (608) 266-8133	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 4/6/00
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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**INTRODUCTION # SB 494**

**Subject**

Exempt Interest from Bonds Used for Renovation of Lambeau Field from Income Tax

**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:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	\$	\$ -
<b>B. State Costs by Source of Funds</b>		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ - see text
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ - see text

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ see text _____	\$ _____

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Jacek J. Cianciara, (608) 266-8133	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	4/6/00