

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # -2516/1

INTRODUCTION # AB 283

Admin. Rule #

Subject

Individual Income Tax Credit for Certain Married, Joint Filers with Dependent Children

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. 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

20.566 (1)(a)

Assumptions Used in Arriving at Fiscal Estimate:

The bill creates a \$500 nonrefundable individual income tax credit for married, joint filers with dependent children under the age of 18. The credit may only be claimed by filers with one working spouse and filers with two working spouses when the lower earning spouse earns less than \$5,000 annually.

A simulation of the 1997 Wisconsin Individual Income Tax Model, adjusted to reflect subsequent law changes, shows that the revenue loss associated with this bill would be \$71 million.

The cost for computer programming and staff to manage audit correspondence is estimated to be \$167,600 for FY01, including 3.7 FTE [0.3 Revenue Agent, 1.8 Revenue Auditor, and 1.6 Clerical Assistant]. Start-up costs in FY00 are estimated to be \$79,800 for programming and information technology. Additional start-up costs in FY01 are estimated to be \$37,600 for equipment and PC install.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Craig D. Kammholz, (608) 261-8984	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	4/29/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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

One-time programming, information technology and other start-up costs of \$79,800 in FY00 and \$37,600 in FY01

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)	\$ 136,600 (3.70 FTE)	\$ - (- FTE)
State Operations-Other Costs	31,000	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 167,600	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	167,600	\$ -
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	\$	\$ - 71 million
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 71 million

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 167,600	\$
NET CHANGE IN REVENUES	\$ - 71 million	\$

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