

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1929/1
INTRODUCTION # AB-124
Admin. Rule #

Subject

Income and Franchise Tax: Credit for Businesses That Equip a Facility for Employees to Pump and Store Breast Milk

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

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

20.566 (1)(a)

Assumptions Used in Arriving at Fiscal Estimate:

The draft would provide a nonrefundable income and franchise tax credit for a business to construct or equip a breast-milk facility. The credit would be for 50% of the employer's costs, not to exceed \$10,000 in a taxable year. Under the draft, a breast-milk facility must be a private location that has a clean water source, a sink and equipment for the pumping and storage of breast milk. The facility must be used exclusively by employees to pump and store breast milk during their working hours.

Although costs of providing a facility would vary from business structure to business structure, it is assumed for the purposes of this fiscal estimate that an average cost would be \$7,500. This cost estimate includes constructing and finishing walls, floor, and ceiling, bringing in water and electricity, purchasing a high grade breast milk pump, a small refrigerator and a chair, and making it compliant with requirements in the 1990 Americans with Disability Act. Based on Department data, approximately 75% of credits claimed are used in a given year. The number of employers that would provide this facility and claim a credit is unknown. However, if 100 employers provided a breast milk facility at an average cost of \$7,500, the fiscal effect would be about \$280,000 (\$7,500 x 50% x 100 x 75%). The actual fiscal effect would vary depending upon actual costs to construct and equip a facility and the number of employers providing the facility in a fiscal year.

If 100 employers received the maximum credit, the annual fiscal effect of providing breast milk facilities would be \$750,000 (\$10,000 x 100 x 75%).

Department costs for administering the bill would be \$94,500 for onetime processing and computer audit programming costs and \$3,000 annually thereafter. The draft does not provide funding for these costs.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Pam Walgren (608) 266-7817	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 <i>Yeang-Eng Braun</i>	Date 2/9/01
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 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):

One time costs of \$94,500.

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)	\$ 3,000	\$ -
State Operations-Other Costs	(FTE)	(- FTE)
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 3,000	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
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	\$	\$ - see text
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - see text

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ +3,000	\$
NET CHANGE IN REVENUES	\$ -see text	\$

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Pam Walgren (608) 266-7817	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	2/9/01