

Fiscal Estimate Narratives

DOR 5/30/01

LRB Number 01-2635/1	Introduction Number AB-405	Estimate Type Original
Subject Exempt social security benefits from individual income tax		

Assumptions Used in Arriving at Fiscal Estimate

This bill exempts all social security benefits from state tax. Under current law, Wisconsin imposes tax on up to 50% of social security benefits when the recipient's income exceeds \$25,000 for a single individual or \$34,000 for a married couple filing jointly.

According to a simulation using the 1999 Wisconsin Individual Income Tax Model, adjusted to reflect current law, exempting currently taxable social security benefits would reduce state revenues by \$69 million annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-2635/1		Introduction Number AB-405	
Subject			
Exempt social security benefits from individual 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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	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	\$	\$-69,000,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-69,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-69,000,000	\$
Agency/Prepared By		Authorized Signature	Date
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