

Fiscal Estimate Narratives

DOR 12/4/01

LRB Number	01-3766/1	Introduction Number	AB-650	Estimate Type	Original
Subject					
Next economy financial institutions package					

Assumptions Used in Arriving at Fiscal Estimate

The draft permits the conversion of one form of business entity into another form of business entity. The draft would allow limited partnerships, limited liability companies, business corporations and nonstock corporations to convert into any other form of business entity if they follow specified procedures. When a conversion becomes effective, except with respect to taxation laws of each jurisdiction that are applicable upon the conversion of the business entity, the business entity that is converted is no longer subject to the applicable law of the jurisdiction that governed the prior form of business entity. The business entity continues to have all liabilities of the business entity that was converted. Any pending civil, criminal, administrative or investigatory proceeding may continue against the business entity after conversion.

The Wisconsin franchise and income tax treatment of mergers and conversions would follow the federal income tax treatment. The sales and use tax treatment of transfers of assets in mergers and conversions would follow the provisions applicable to liquidations, reorganizations, and business entity formations.

The transfer of real estate pursuant to certain conversions and mergers would be exempt from the real estate transfer fee. Based on Department data, it is estimated that the fiscal effect of exempting these transactions from the real estate transfer fee would be to reduce annual collections by \$500,000. State revenues would decrease by \$400,000 and county revenues by \$100,000 annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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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	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Forestry)			-400,000
TOTAL State Revenues	\$		\$-400,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-400,000		\$-100,000
Agency/Prepared By		Authorized Signature	Date
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