

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-2844/1	Introduction Number SB-131	
Subject		
Allow grandparents an individual income tax deduction for Ed Vest contributions		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.585 (2)(q) and (s)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
TREAS/ Marty Olle (608) 264-7886	Scott Feldt (608) 266-3712	4/13/01

Fiscal Estimate Narratives
TREAS 4/13/01

LRB Number 01-2844/1	Introduction Number SB-131	Estimate Type Original
Subject Allow grandparents an individual income tax deduction for Ed Vest contributions.		

Assumptions Used in Arriving at Fiscal Estimate

- a. 12% of all EdVest account owners are grandparents.
- b. Assume % will remain constant, because parents are also eligible for the tax deduction.
- c. To date, the average # of new accounts annually is 600. Grandparents = 72.
- d. Assume new accounts will increase to 5,000 annually [600 grandparents] due to new partnership with private vendor, additional investment options available to participants, and increased marketing/public awareness.
- e. Each new account has an average initial investment of \$2,040 plus \$93/month.
- f. Annualized increase in EdVest revenues =
First full year: $\$2,040 + [\$93 \times 6 \text{ months}] = \$2,600 \times 600 \text{ accounts} = \$1,560,000$.

The higher level of account activity will increase the processing and customer support workload for EdVest staff. Postage and printing costs will increase slightly. All can be absorbed in the program budget.

Long-Range Fiscal Implications

Long-range revenue and administrative cost increases will be monitored through the biennial budget and s.16.515 process.