

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1364/1
INTRODUCTION # AB 103
Admin. Rule #

Subject

Create Individual Income Tax Credit for Certain Married Couples with Dependents

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 bill creates a \$500 nonrefundable tax credit for certain married couples with dependent children. Claimants must be full-year Wisconsin residents, be married and reside with their spouses and have at least one dependent child under the age of 18. Further, if both spouses have earnings, the lesser-earning spouse cannot have earnings in excess of \$5,000. The credit would be subtracted from net tax after the school property tax credit and before the working families credit.

Based on a simulation using the 1999 Wisconsin Individual Income Tax Model adjusted to reflect current law, creating a credit as outlined above will reduce income tax revenues by \$84.5 million annually. This fiscal estimate assumes that qualified married persons filing separate returns will each be allowed to claim the full credit.

The Department would incur one-time administrative costs of \$30,150 in FY02 for programming and development, as well as on-going costs of \$14,500 for data collection, adjustment activity and supporting expenses.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Yeang-Eng Braun <i>Yeang-Eng Braun</i> (608) 266-2700	2/15/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Create Individual Income Tax Credit for Certain Married Couples with Dependents

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

+\$30,150 GPR-Exp in FY02

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)

(FTE)

(- FTE)

State Operations-Other Costs

14,500

-

Local Assistance

-

Aids to Individuals or Organizations

-

TOTAL State Costs by Category

\$ 14,500

\$ -

B. State Costs by Source of Funds

Increased Costs

Decreased Costs

GPR

\$ 14,500

\$ -

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

\$

\$ - 84.5 million

GPR Earned

-

FED

-

PRO/PRS

-

SEG/SEG-S

-

TOTAL State Revenues

\$

\$ - 84.5 million

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS

\$ + 14,500

\$

NET CHANGE IN REVENUES

\$ - 84.5 million

\$

Agency/Prepared by: (Name & Phone No.)

Authorized Signature/Telephone No.

Date

Wisconsin Department of Revenue

Yeang-Eng Braun

2/15/01

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