## Fiscal Estimate - 2001 Session

X	Original		Updated		Corrected		Supple	mental
LRB	Number	01-2635/1		Introd	duction Numb	er A	B-405	
Subje	ct							
Exemp	ot social secu	ırity benefits fror	n individual incon	ne tax				
Fiscal	Effect							
L	No State Fisc ndeterminate Increase I Appropria Decrease Appropria Create Ne	e Existing tions Existing	☐ Increase Revenue ☑ Decrease Revenue	s e Existing		within age Yes	May be p ency's bu	
	Indeterminat  1. Increas Permiss  2. Decrea	e Costs sive Mandato	4. Decrease	/e Mand Revenue	Cour	ected ns [ nties [ pol [	Village Others WTCS Districts	Cities
Fund S	Sources Affo		] PRS 🔲 SE	G 🔲 SE	<b>Affected Ch.</b> EGS	20 Appr	opriation	IS
Agend	y/Prepared	Ву	Au	thorized S	Signature			Date
DOR/ I	Meredith Kre	jny (608) 261-89	)84 De	nnis Collie	r (608) 266-5773			5/30/01

## Fiscal Estimate Narratives DOR 5/30/01

LRB Number 0	1-2635/1	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 Dpdated	Corrected	Supplemental			
LRB Number <b>01-2635/1</b>	Introduction Number	AB-405			
Subject					
Exempt social security benefits from individ	lual income tax				
I. One-time Costs or Revenue Impacts for annualized fiscal effect):	or State and/or Local Government (c	lo not include in			
II. Annualized Costs:	Annualized Fiscal	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 (e.g., tax increase, decrease in license to		rease state revenues			
	Increased Rev	Decreased Rev			
GPR Taxes	\$	\$-69,000,000			
GPR Earned					
FED					
PRO/PRS					
SEG/SEG-S					
TOTAL State Revenues	\$	\$-69,000,000			
NET ANI	NUALIZED FISCAL IMPACT				
	State	Loca			
NET CHANGE IN COSTS	\$	\$			
NET CHANGE IN REVENUE	\$-69,000,000	\$			
Agency/Prepared By	Authorized Signature	Date			
DOR/ Meredith Krejny (608) 261-8984	Dennis Collier (608) 266-5773	5/30/01			