Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

## Fiscal Estimate - 2001 Session

☑ Original ☐ Updated	Corre	ected	Supplemental						
LRB Number <b>01-3900/1</b>	Introducti	on Number	AB-579						
Subject  Certified capital investment limitations, qualified business requirements, and reviews of certified capital company statements									
Appropriations Rever	ase Existing		s - May be possible to agency's budget No						
Local:  No Local Government Costs  Indeterminate  1. Increase Costs Permissive Mandatory  2. Decrease Costs Permissive Mandatory Districts  5. Types of Local Government Units Affected Towns Village Cities Counties Others School Districts Districts									
Fund Sources Affected  Affected Ch. 20 Appropriations  GPR PRO PRO SEG SEGS									
Agency/Prepared By	Authorized Signat	ure	Date						
DOR/ Dennis Collier (608) 266-5773	Brian Pahnke (608) 266-2700								

## Fiscal Estimate Narratives DOR 10/30/01

LRB Number <b>01-3900/1</b>	Introduction Number AB-579	Estimate Type Original
Subject		
Certified capital investment limi	itations, qualified business requiremen	its, and reviews of certified capital

## **Assumptions Used in Arriving at Fiscal Estimate**

Current law allows the Department of Commerce to certify investments in certified capital companies, which are required to invest the certified investments in qualified businesses. Certified Investors who are insurers may claim a credit for certified capital investments against their insurance premiums tax. The credit equals 10% of the amount of investment each year over a 10-year period.

Current law limits the amount Commerce may certify to \$50 million. The bill, among other changes, provides Commerce with the authority to certify another \$100 million in investments.

The credit for these additional investments will reduce insurance premiums tax revenues by up to \$10 million per year for a minimum of 10 years. The revenue loss could be less than \$10 million in any year and the period over which credits are allowed could be more than 10 years, depending on when Commerce certifies the additional investments.

**Long-Range Fiscal Implications** 

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

	Original		Updated			Corrected		Supple	emental
LRB N	lumber	01-3900	)/1		Introduction Number AB-579				
Subject Certified company									
I. One-ti annuali	I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):								
A reduct minimun million.	A reduction in general purpose (insurance premiums) tax revenues of up to \$10 million per year for a minimum of 10 years. The total revenue loss over the period of 10 or more years is limited to \$100 million.						ar for a 3100		
II. Annu	alized Cos	ts:				Annualized	l Fiscal II	mpact on f	unds from:
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	Position Ch				ļ			-	
		- Other Cost	is		<u> </u>				
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		Costs by Ca			<u> </u>		\$		\$
B. State	Costs by	Source of Fu	unds		T			<del></del>	
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	SEG-S						$-\!\!\!\!+\!\!\!\!-$		
III. State	Revenues	- Complete	this only w	men j	proposal v	will increase	or decre	ase state r	evenues
(e.g., tax	k increase,	decrease in	n license fee	ee, ets.)					
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NEIGH	ANGE IN D	EVENUE			<u>l</u>		\$		\$
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Agency	/Prepared I	Зу		Au	ithorized :	Signature			Date