

Fiscal Estimate Narratives
DOR 3/17/2003

LRB Number	03-1413/1	Introduction Number	SB-47	Estimate Type	Original
Subject					
Increase the individual income tax personal exemption for older taxpayers					

Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin individual income tax law, a personal exemption of \$700 may be claimed for each taxpayer, spouse, and dependent. An additional exemption of \$250 may be claimed by a taxpayer or spouse who has reached the age of 65 by the close of the taxable year.

This bill would increase the additional exemption of \$250 for certain elderly individuals. Under the bill, taxpayers and spouses who have reached the age of 70 before the close of the taxable year may claim an additional exemption of \$300, and taxpayers and spouses who have reached the age of 75 before the close of the taxable year may claim an additional exemption of \$350.

Based on a simulation using the 2001 Individual Income Tax model, adjusted to reflect current law, the increased additional personal exemption for elderly filers would decrease state income tax revenues by an estimated \$850,000 annually.

The Department would incur one-time reprogramming costs of \$17,100. The Department will also incur annual costs of \$38,300 for on-going review and support and printing and postage.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Increase the individual income tax personal exemption for older taxpayers			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$17,100 of programming costs			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$33,100		
(FTE Position Changes)			
State Operations - Other Costs	5,200		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$38,300		\$
B. State Costs by Source of Funds			
GPR	38,300		
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	\$	\$-850,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$-850,000	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$38,300	\$	
NET CHANGE IN REVENUE	\$-850,000	\$	
Agency/Prepared By		Authorized Signature	Date
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