

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2706/1	Introduction Number SB-263
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Subject

Tax credit for facility for employees to express breast milk

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - Permissive Mandatory
 - 2. Decrease Costs
 - Permissive Mandatory
 - 3. Increase Revenue
 - Permissive Mandatory
 - 4. Decrease Revenue
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR
 FED
 PRO
 PRS
 SEG
 SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 10/31/2003

LRB Number	03-2706/1	Introduction Number	SB-263	Estimate Type	Original
Subject					
Tax credit for facility for employees to express breast milk					

Assumptions Used in Arriving at Fiscal Estimate

The bill would provide a nonrefundable income and franchise tax credit for a business to construct or equip a breast-milk facility. The credit would be for 50% of the employers costs, not to exceed \$5,000 in a taxable year. Under the draft, a breast-milk facility must be a private location that has a clean water source, a sink and equipment for the pumping and storage of breast milk. The facility must be used exclusively by employees to pump and store breast milk during their working hours.

Although costs of providing a facility would vary from business structure to business structure, it is assumed for the purposes of this fiscal estimate that an average cost would be \$7,500. This cost estimate includes constructing and finishing walls, floor, and ceiling, bringing in water and electricity, purchasing a high grade breast milk pump, a small refrigerator and a chair, and making it compliant with requirements in the 1990 Americans with Disability Act.

Based on Department data, approximately 75% of credits claimed are used in a given year. The number of employers that would provide this facility and claim a credit is unknown. However, if 100 employers provided a breast milk facility at an average cost of \$7,500, the fiscal effect would be about \$300,000 ($\$8,000 \times 50\% \times 100 \times 75\%$). The actual fiscal effect would vary depending upon actual costs to construct and equip a facility and the number of employers providing the facility in a fiscal year. If 100 employers received the maximum credit, the annual fiscal effect of providing breast milk facilities would be \$500,000 ($\$5,000 \times 100 \times 75\%$).

The Department estimates one-time costs for computer programming, forms and other administrative costs of \$27,000. The bill does not provide funding for these costs. Ongoing costs would be absorbed.

Long-Range Fiscal Implications