

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2424/1</b>	<b>Introduction Number</b> <b>SB-366</b>	
<b>Subject</b> Expand eligibility for the homestead tax credit		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(c)		
<b>Agency/Prepared By</b> DOR/ Karyn Kriz (608) 261-8984	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 1/26/2004

## Fiscal Estimate Narratives

DOR 1/26/2004

LRB Number	03-2424/1	Introduction Number	SB-366	Estimate Type	Original
<b>Subject</b>					
Expand eligibility for the homestead tax credit					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, an individual who lives in housing subject to property tax for part of the year may claim the homestead tax credit for property tax paid only in the months in which the individual resides in the taxed housing. An individual is also eligible for the homestead tax credit if he or she lived in tax-exempt housing that makes payments in lieu of taxes to the municipality in which it is located. This bill would allow individuals age 65 and older to claim the homestead tax credit for the entire year during which the individual resides in tax-exempt housing, whether it be for part of or all of the year.

According to the 1999 National Nursing Home Survey, about 3,400 elderly pay for residency in a not-for-profit or government-owned nursing home through sources other than Medicare or Medicaid. Nursing home care paid from a private source costs \$158 per day, about \$4,700 per month. It is assumed that elderly persons who can afford nursing home residency from private pay sources have household income over \$24,500, and therefore, would not be eligible to claim the homestead tax credit.

According to HUD, there are 124 Public Housing Authorities (PHA) in Wisconsin. Nearly all of the PHAs make payments in lieu of taxes to municipalities. Therefore, this bill would result in a minimal increase in Homestead expenditures.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 03-2424/1		<b>Introduction Number</b> SB-366	
<b>Subject</b>			
Expand eligibility for the homestead tax credit			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$SeeText	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Karyn Kriz (608) 261-8984		Dennis Collier (608) 266-5773	1/26/2004