

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number **03-2285/1** Introduction Number **SB-367**

Subject
 Increase the individual income tax subtract modification for social security benefits

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others 0
 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 1/12/2004

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Subject Increase the individual income tax subtract modification for social security benefits		

Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin law, up to 50% of social security benefits are taxable when the recipient's income reaches \$34,000 for a single individual or \$44,000 for a married couple filing jointly. This bill would exempt all social security benefits from Wisconsin income tax.

According to a simulation using the 2001 Wisconsin Individual Income Tax Model, adjusted to reflect current law and the growth in social security benefits from 2001 to 2003, exempting currently taxable social security benefits would reduce state revenues by \$89 million.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Increase the individual income tax subtract modification for social security benefits			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		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 when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-89,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-89,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-89,000,000	\$
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