

Fiscal Estimate Narratives

DOR 3/18/2003

LRB Number 03-1923/1	Introduction Number AB-167	Estimate Type Original
Subject Exempt social security benefits from individual income tax		

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

Original
 Updated
 Corrected
 Supplemental

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Subject			
Exempt social security benefits from individual income tax			
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	\$
Agency/Prepared By		Authorized Signature	Date
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