

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2108/2	Introduction Number AB-477
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Subject
 Individual income tax subtract modification for organ donation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	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
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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	

Agency/Prepared By DOR/ Karyn Kriz (608) 261-8984	Authorized Signature Dennis Collier (608) 266-5773	Date 5/27/2003
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Fiscal Estimate Narratives

DOR 8/22/2003

LRB Number	03-2108/2	Introduction Number	AB-477	Estimate Type	Original
Subject					
Individual income tax subtract modification for organ donation					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, an individual who, while living, donates one or more of his or her human organs to another human being for human organ transplantation may subtract \$10,000 from federal adjusted gross income in the year in which the transplant occurs. The subtraction modification may only be claimed for travel expenses, lodging expenses, and lost wages that are incurred by the claimant and related to his or her organ donation. The subtraction modification is not available to nonresidents and part-time residents of Wisconsin and may only be claimed once. For purposes of this bill, a "human organ" is defined as a liver, pancreas, kidney, intestines, lung, and bone marrow.

According to the United Network for Organ Sharing, there were 213 living organ donors in Wisconsin in 2002 – 207 kidney and 6 liver transplants. According to Living Donors Online, live kidney donors miss an average of 34 workdays as a result of the transplant; liver donors miss 37 workdays. Assuming the 2001 average hourly Wisconsin wage of \$15.16 found on the Bureau of Labor Statistics website, kidney donors lose an average of \$4,124 and liver donors lose an average of \$4,246 in wages as a result of the transplant. This number may be understated as it only accounts for missed workdays as a result of the actual surgery and post-surgery recovery period. The distance that each donor travels to the transplant center is unknown and therefore the amount of traveling and lodging expenses per donor is indeterminate.

Assuming all 213 donors file income tax returns, traveling and lodging expenses and additional wages lost total at least \$6,000, so that the maximum \$10,000 subtraction is claimed, and assuming an effective marginal tax rate of 5.5%, this bill would decrease state income tax revenues by about \$115,000 (213 x \$10,000 x 5.5%).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Individual income tax subtract modification for organ donation			
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		\$	\$-115,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-115,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$115,000	\$
Agency/Prepared By		Authorized Signature	
DOR/ Karyn Kriz (608) 261-8984		Dennis Collier (608) 266-5773	
		Date	
		5/27/2003	