

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-3855/1</b>	<b>Introduction Number</b> <b>SB-404</b>	
<b>Description</b> Creating an individual income tax credit for personal property taxes paid on certain mobile homes and on certain attachments to recreational mobile homes		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input 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 checked="" 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 <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</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		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b> DOR/ Kirstin Nelson (608) 261-8984	<b>Authorized Signature</b> Rebecca Boldt (608) 266-6785	<b>Date</b> 11/4/2005

## Fiscal Estimate Narratives

DOR 11/4/2005

LRB Number	<b>05-3855/1</b>	Introduction Number	<b>SB-404</b>	Estimate Type	<b>Original</b>
<b>Description</b> Creating an individual income tax credit for personal property taxes paid on certain mobile homes and on certain attachments to recreational mobile homes					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a recreational mobile home is exempt from personal property taxes. A recreational mobile home is no longer than 400 square feet and is used primarily as temporary living quarters for recreational, camping, travel, or seasonal purposes.

This bill creates a refundable individual income tax credit for personal property taxes that an individual pays on any aftermarket addition, attachment, annex, foundation or appurtenance adjoining or affixed to a recreational mobile home. The bill also creates a refundable income tax credit for property taxes paid on any mobile home that would have been exempt from personal property taxes as a recreational mobile home except that the mobile home exceeds 400 square feet because of an aftermarket addition, attachment, annex, foundation, or appurtenance that is adjoining or affixed to the mobile home.

The Department does not have data on aftermarket additions, attachments, annexes, foundations, or appurtenances adjoining or affixed to a recreational mobile home to estimate the fiscal impact of an income tax credit.

For mobile homes that would have been exempt from taxation except that the mobile home exceeds 400 square feet because of some type of attachment, limited information is available. Based on information from the Wisconsin Association of Campground Owners, there are approximately 8,000 campsites rented for seasonal purposes in the state. For purposes of the analysis, the following assumptions are made: there are 8,000 recreational mobile homes that are classified as personal property, 75% of these recreational mobile homes have some type of attachment, and 25% of these mobile homes with attachments are taxable as a result of the size limit.

Therefore, the bill would provide a credit for approximately 1,500 ( $8,000 \times 75\% \times 25\%$ ) recreational mobile homes that are currently taxable as a result of attachments that cause the recreational mobile homes to exceed the 400 square foot limit. Assuming the average value of a recreational mobile home without additions is \$10,000 and a tax rate of \$19.64 per \$1,000 of taxable value (the 2004/05 statewide average net tax rate), approximately \$295,000 ( $1,500 \times \$10,000 \times 0.01964$ ) in property taxes paid would be eligible for the proposed income tax credit. To the extent that exempt attachments have a significant value, as in the case of porches or sunrooms, the amount eligible for the credit would be greater.

Costs associated with this proposal will be absorbed by the Department.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Creating an individual income tax credit for personal property taxes paid on certain mobile homes and on certain attachments to recreational mobile homes			
<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		\$	\$-295,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-295,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-295,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Kirstin Nelson (608) 261-8984		Rebecca Boldt (608) 266-6785	11/4/2005