

Fiscal Estimate Narratives

DOR 2/25/2005

LRB Number	05-1865/1	Introduction Number	AB-111	Estimate Type	Original
Subject					
Allow custodial and non-custodial parent to claim subtract modification for EdVest contributions					

Assumptions Used in Arriving at Fiscal Estimate

Wisconsin allows for a deduction of \$3,000 from federal adjusted gross income (FAGI) for contributions made to an EdVest account, a college tuition savings program, if the beneficiary is one of the following: the claimant, the claimant's dependent, the claimant's grandchild, the claimant's great-grandchild, or the claimant's niece or nephew. The bill would allow the deduction when the beneficiary is the claimant's child regardless of whether or not the child is also the claimant's dependent. The proposed bill would limit the deduction to \$1,500 of contributions made to an EdVest account by married separate filers.

The bill is expected to result in a revenue decrease; however, the extent of the decrease is indeterminate because the number of divorced and legally separated tax filers contributing money to an EdVest account for their children is unknown.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Allow custodial and non-custodial parent to claim subtract modification for EdVest contributions			
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See text of fiscal note.	\$
Agency/Prepared By		Authorized Signature	Date
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