

Fiscal Estimate Narratives

DOR 3/23/2005

| | | | | | |
|--|-----------|---------------------|--------|---------------|----------|
| LRB Number | 05-1984/1 | Introduction Number | AB-192 | Estimate Type | Original |
| Subject | | | | | |
| Individual income tax checkoff for military family relief fund | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an income tax check-off for designations to the military family relief fund. The total amount of designations less the cost of administering the check-off procedure must be used to provide financial aid to eligible family members of a U.S. army reservist or member of the national guard who is a resident of Wisconsin and who is on active duty.

According to the Department of Revenue data from tax year 2003 returns, about 39,500 tax filers contributed a total of \$639,000 in donations to the endangered species program; donations to the endangered species program are collected in the same way as the proposed check-off for donations to the military family relief fund would be administered. Assuming similar participation in the proposed check-off, 39,500 filers would donate a total of \$640,000 to the military family relief fund.

The Department would incur one-time costs of \$19,400 for system development and annual costs of \$6,200 for limited-term employee (LTE) salaries and fringe benefits, supplies, and printing and postage. These costs would be deducted from total donations received and the remaining funds would be used for the military tax relief fund. Therefore, the first year of the check-off program would bring in a total of \$614,400 (\$640,000 - \$19,400 - \$6,200) in donations after deducting the cost of administering the program. If the amount of donations remains constant each year, total annual donations would be \$633,800 (\$640,000 - \$6,200) for each subsequent year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|--|--|--|-----------------|
| LRB Number 05-1984/1 | | Introduction Number AB-192 | |
| Subject | | | |
| Individual income tax checkoff for military family relief fund | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| \$19,400 in system development costs, financed by an equal amount of program revenue. | | | |
| 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 | | 6,200 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$6,200 | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | 6,200 | |
| 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 | | \$ | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | 6,200 | |
| SEG/SEG-S | | 633,800 | |
| TOTAL State Revenues | | \$640,000 | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$6,200 | \$ |
| NET CHANGE IN REVENUE | | \$640,000 | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DOR/ Rebecca Boldt (608) 266-6785 | | Dennis Collier (608) 266-5773 | 3/23/2005 |