

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0923/1	Introduction Number AB-493
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Subject
 Income tax deduction for interest on WHEFA bonds; proceeds used for hospital information technology

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	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
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS None	

Agency/Prepared By WHEFA/ Larry Nines (262) 792-0466	Authorized Signature Larry Nines (262) 792-0466	Date 6/16/2005
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Fiscal Estimate Narratives

WHEFA 6/16/2005

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Subject Income tax deduction for interest on WHEFA bonds; proceeds used for hospital information technology		

Assumptions Used in Arriving at Fiscal Estimate

Assumes \$50 million in bonding per annum for IT projects with average life of loan being 5 years. Assume all bonding is placed with Wisconsin residents. Assume 5% average interest rate. In first year interest income earned by Wisconsin residents which is now state tax-exempt is \$2.5 million. At 7% tax rate the lost revenue to the state is \$175,000. In 5 years this would grow to \$875,000 and would remain at that level going forward.

Long-Range Fiscal Implications

None

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Income tax deduction for interest on WHEFA bonds; proceeds used for hospital information technology			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
None			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0	0	
(FTE Position Changes)	(0.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	0	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$0	\$0	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS (0)	0	0	
SEG/SEG-S (0)	0	0	
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	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS (0)	0	0	
SEG/SEG-S (0)	0	0	
TOTAL State Revenues	\$0	\$0	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$0	\$0	
NET CHANGE IN REVENUE	\$[175,000]	\$0	
Agency/Prepared By		Authorized Signature	Date
WHEFA/ Larry Nines (262) 792-0466		Larry Nines (262) 792-0466	6/16/2005