

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3935/2	Introduction Number AB-995	
Description A nonrefundable individual income tax credit for certain income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician		
Fiscal Effect		
State: <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		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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		
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/ Kirstin Nelson (608) 261-8984	Authorized Signature Rebecca Boldt (608) 266-6785	Date 2/15/2006

Fiscal Estimate Narratives

DOR 2/15/2006

LRB Number	05-3935/2	Introduction Number	AB-995	Estimate Type	Original
Description A nonrefundable individual income tax credit for certain income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable individual income tax credit for income received by a volunteer firefighter, volunteer first responder, or volunteer emergency medical technician (EMT) to the extent that the income relates to the individual's service as one of the above. The credit should be multiplied by the individual's marginal tax rate.

According to the Wisconsin State Firefighters Association (WSFA), there are currently about 21,000 volunteer firefighters in Wisconsin and this number changes frequently due to a high turnover rate. According to WSFA, about 80% of Wisconsin's firefighters are volunteers. The amount of compensation received by these individuals for services performed as volunteer firefighters varies depending on the fire department at which the individual volunteers. The fiscal estimate will also depend on the number of fire calls and their duration.

Based on discussions with several fire departments in Wisconsin it is assumed that about one-third of the fire departments do not compensate their volunteer firefighters while the other two-thirds pay their volunteer firefighters an hourly wage for time served on the job. Therefore, about 14,000 ($21,000 \times 2/3$) volunteer firefighters in Wisconsin are compensated for their services. On average there are 40 volunteers per fire department, and therefore, 350 ($14,000 / 40$) fire departments that pay their volunteers. The annual number of calls received at a fire department varies greatly across departments. Assuming an average of 300 calls for purposes of this estimate, 10 volunteers servicing each call with each call lasting one hour, and volunteers are compensated \$10 per hour, a total of \$10.5 million ($300 \times 10 \times \10×350) could be deducted. Assuming a marginal tax rate of 5.5%, state income tax revenues would decrease by \$580,000 ($\$10.5 \text{ million} \times .055$). However, the revenue loss could be higher or lower depending on the volume of calls, the number of volunteer firefighters who receive compensation and the wage rate they receive.

Due to time constraints, the number of volunteer emergency medical technicians and the number of volunteer emergency first responders in the state is not available. Depending on the number compensated and the amounts of compensation received, the fiscal effect will be higher.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Description A nonrefundable individual income tax credit for certain income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician			
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			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$SeeText	\$
Agency/Prepared By		Authorized Signature	Date
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