

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 05-0725/1		<b>Introduction Number</b> SB-29	
<b>Subject</b> Increase the individual income tax personal exemption for older taxpayers			
<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 type="checkbox"/> Yes	<input checked="" 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	5. Types of Local Government Units Affected	
<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>		<b>Affected Ch. 20 Appropriations</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>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>	
DOR/ Kirstin Nelson (608) 261-8984	Rebecca Boldt (608) 266-6785	2/10/2005	

## Fiscal Estimate Narratives

DOR 2/10/2005

LRB Number	05-0725/1	Introduction Number	SB-29	Estimate Type	Original
<b>Subject</b>					
Increase the individual income tax personal exemption for older taxpayers					

### Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin tax law, a personal exemption of \$700 may be claimed for each taxpayer, spouse, and dependent. An additional exemption of \$250 may be claimed by a taxpayer or spouse who has reached the age of 65 by the close of the taxable year.

This bill would increase the additional exemption for certain elderly individuals. Under the bill, the additional exemption for taxpayers and spouses who have reached the age of 70 before the close of the taxable year would increase to \$300, and the additional exemption for taxpayers and spouses who have reached the age of 75 before the close of the taxable year would increase to \$350.

Based on a simulation using the 2003 Individual Income Tax model reflecting current law, the increased additional personal exemption for elderly filers would affect 106,000 tax filers and would decrease state income tax revenues by an estimated \$760,000 annually.

The Department would incur one-time reprogramming costs of \$37,400. The Department will also incur annual costs of \$24,700 for on-going review and support and printing and postage.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-0725/1		<b>Introduction Number</b> SB-29	
<b>Subject</b>			
Increase the individual income tax personal exemption for older taxpayers			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
\$37,400 of programming costs			
<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		\$19,500	
(FTE Position Changes)			
State Operations - Other Costs		5,200	
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$24,700</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR		24,700	
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		\$	\$-760,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-760,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$24,700	\$
NET CHANGE IN REVENUE		\$-760,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Kirstin Nelson (608) 261-8984		Rebecca Boldt (608) 266-6785	2/10/2005