

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1766/1	Introduction Number AB-0171
Description Relating to: an individual income tax credit for the sales and use tax paid to purchase corn used for fuel for residential use	
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 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 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 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/ Blair Kruger (608) 266-1310	Authorized Signature Paul Ziegler (608) 266-5773
Date 3/19/2007	

Fiscal Estimate Narratives
DOR 3/19/2007

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Assumptions Used in Arriving at Fiscal Estimate

Under current law, the sale of coal, fuel oil, propane, steam, peat, fuel cubes produced from solid waste, and wood used for fuel is exempt from state, county, and special district sales and use taxes, if such fuels are sold for residential use.

Under the bill, a person may claim an individual income or alternative minimum tax credit in an amount equal to the amount of state and local sales and use taxes that the person paid in the taxable year on the purchase of corn used for fuel for residential use.

Corn burning furnaces burn clean (i.e., no cob or leaves) dry kernels. One bushel of dry corn costs \$2.50-\$3.00 and has the heating (i.e., BTU) equivalent of about 3 gallons of fuel oil. An Internet search indicates at least 5 companies sell or service corn-burning stoves in Wisconsin. Data are not available regarding the value or amount of corn sold as residential fuel. However, the reduction in income taxes due to the new credit is likely to be negligible.

Administrative costs of the Department would be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Relating to: an individual income tax credit for the sales and use tax paid to purchase corn used for fuel for residential use			
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, etc.)			
	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	\$ negligible decrease	\$	
Agency/Prepared By		Authorized Signature	Date
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