

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1412/3	Introduction Number AB-0235
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Description
 An income and franchise tax credit for workplace wellness programs, granting rule-making authority, and requiring the exercise of rule-making authority

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<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"/> 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
<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	

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/ Michael Oakleaf (608) 261-5173	Authorized Signature Rebecca Boldt (608) 266-6785	Date 4/17/2007
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Fiscal Estimate Narratives

DOR 4/17/2007

LRB Number	07-1412/3	Introduction Number	AB-0235	Estimate Type	Original
Description An income and franchise tax credit for workplace wellness programs, granting rule-making authority, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The bill would create an income and franchise tax credit for employers who provide a workplace wellness programs for their employees. The amount of the credit would be equal to 30 percent of the amount that an employer pays in the taxable year to provide a workplace wellness program to any of the employer's employees who are employed in this state, not including any amount paid to acquire, construct, rehabilitate, remodel, or repair real property. The credit may be claimed for three years.

A workplace wellness program is a health or fitness program, as defined by administrative rule by the Department of Commerce, where employees are provided with health risk assessments. The services included in a workplace wellness program include smoking cessation, weight management, stress management, worker injury prevention programs, nutrition education, or health or fitness incentive programs.

The bill states the maximum amount of credit that may be claimed by all claimants is \$5 million per taxable year, with \$2.5 million per year being allocated for businesses with 50 or fewer employees and \$2.5 million per year being allocated for businesses with more than 50 employees. The business could claim the credit for three years.

The estimated fiscal effect of the bill is a reduction in revenue of \$5 million per year, the maximum annual amount of credit allowed. The fiscal effect in a taxable year would be reduced to the extent that taxpayers do not have sufficient tax liability to use all of the credit amounts claimed. In subsequent years, the fiscal effect could be greater than \$5 million if all of the credit claimed in the current year as well as credit amounts carried forward from previous years is used.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description An income and franchise tax credit for workplace wellness programs, granting rule-making authority, and requiring the exercise of rule-making authority			
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		\$	\$-5,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-5,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-5,000,000	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Michael Oakleaf (608) 261-5173		Rebecca Boldt (608) 266-6785	4/17/2007