Fiscal Estimate - 2007 Session

\boxtimes	Original		Updated		Corrected		Supplemental
LRB	Number	07-2982/3		Intro	duction Num	iber A	B-0762
Descri Relatin credit.		ome and franch	ise tax credit that	supplem	ents the federal	historic ref	nabilitation tax
Fiscal	Effect						
	No State Fisco Indeterminate Increase E Appropria Decrease Appropria Create Ne	e Existing Itions Existing	∏Increase Revenue ⊠Decrease Revenue	es e Existing	to ab		s - May be possible n agency's budget \to No
Ţ	No Local Gov Indeterminate 1. Increase Permiss 2. Decrease		3. Increase ory Permissi 4. Decrease	ve∏Maı e Revenu	Governdatory C	-	nits Affected Village Cities Others WTCS Districts
Fund S	Sources Affe		PRS SEC	a □ SI	Affected C	h. 20 App	ropriations
Agenc	cy/Prepared	Ву	Aui	horized	Signature		Date
DOR/ Bradley Caruth (608) 261-8984 Rebe			ecca Bo	cca Boldt (608) 266-6785 2/12/2008			

Fiscal Estimate Narratives DOR 2/12/2008

LRB Number 07-2982/3	Introduction Number	AB-0762	Estimate Type	Original		
Description Relating to: the income and franchise tax credit that supplements the federal historic rehabilitation tax credit.						

Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows a credit, equal to 20% of certain expenditures, to substantially rehabilitate certified historic buildings for use in a trade or business. In Wisconsin, a supplement to the federal historic rehabilitation credit, equal to 5% of qualified rehabilitation expenditures, can be claimed for projects that are eligible for the federal credit.

Wisconsin claimants must currently submit evidence to the Department of Revenue that the rehabilitation work was approved by the Secretary of the Interior before construction began. Additionally, for partners in a partnership or members of a limited liability company, the credit is apportioned according to each partner's ownership interest.

Under this bill, beginning in tax year 2008, claimants must submit evidence to the Department of Revenue that the rehabilitation work was recommended by the state historic preservation officer for approval before construction began and that the rehabilitation work was approved by the Secretary of the Interior. This would allow construction to begin before approval is granted by the Secretary of the Interior. The bill also allows partners in a partnership or members of a limited liability company, to apportion the credit according to a specified agreement of the partners.

The fiscal effect of the bill is unknown, but expected to be minimal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original Update	d Corrected	Supplemental			
LRB Number 07-2982/3	Introduction Number	AB-0762			
Description Relating to: the income and franchise tax credit.	credit that supplements the federal his	storic rehabilitation tax			
I. One-time Costs or Revenue Impacts annualized fiscal effect):	for State and/or Local Government	(do not include in			
II. Annualized Costs:	Annualized Fiscal I	Annualized Fiscal Impact on funds from:			
	Increased Costs	Decreased Costs			
A. State Costs by Category					
State Operations - Salaries and Fringes	s \$	\$			
(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 revenues (e.g., tax increase, decrease		crease state			
	Increased Rev	Decreased Rev			
GPR Taxes	\$	\$			
GPR Earned					
FED					
PRO/PRS	And the second s				
SEG/SEG-S					
TOTAL State Revenues	\$	\$			
NET ANN	NUALIZED FISCAL IMPACT				
	<u>State</u>	Local			
NET CHANGE IN COSTS	\$	\$			
NET CHANGE IN REVENUE	\$SeeText	\$			
Agency/Prepared By	Authorized Signature	Date			
DOR/ Bradley Caruth (608) 261-8984	Rebecca Boldt (608) 266-6785	2/12/2008			