



**Fiscal Estimate Narratives**  
**DOR 4/9/2008**

LRB Number	<b>07-2255/1</b>	Introduction Number	<b>AB-0953</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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 1) the income relates to the individual's service as one of the above and 2) the income is included in the individual's Wisconsin adjusted gross income. The credit is equal to the income amount multiplied by the individual's marginal tax rate.

According to the department of commerce, there were about 17,400 volunteer firefighters in Wisconsin in 2004. Fire departments vary with respect to both the amount and type of compensation provided to volunteer firefighters. Although many departments do not compensate volunteer firefighters, others provide stipends or reimbursement of expenses. Assuming an average annual compensation level of \$500 and an average marginal tax rate of 5.5%, the credit for volunteer firefighters would reduce individual income tax revenue by \$480,000 ( $17,400 \times \$500 \times 5.5\%$ ). The fiscal effect would be different to the extent that average compensation levels are higher or lower than the assumed value.

According to the Wisconsin EMS Association, volunteer EMTs respond to approximately 125,000 calls annually. Assuming that two volunteer EMTs respond to each call, that volunteer EMTs are paid an average of \$10 per call, and that they face an average marginal tax rate of 5.5%, the credit for EMTs would reduce individual income tax revenue by \$140,000 ( $125,000 \times 2 \times \$10 \times 5.5\%$ ). The fiscal effect would be different to the extent that average compensation per call is higher or lower than the assumed value.

The bill is estimated to reduce revenue by \$620,000 annually.

The department's administrative costs under the bill are estimated at \$4,800 annually. Depending on responsibilities assigned by other legislation or budgetary changes, DOR may require additional resources to conduct the administrative duties required by the bill.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 07-2255/1		<b>Introduction Number</b> AB-0953	
<b>Description</b> a nonrefundable individual income tax credit for certain income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician.			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<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	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	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, ets.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$-620,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-620,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-620,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	4/9/2008