Fiscal Estimate - 2007 Session

\boxtimes	Original		Updated		Corrected		Supple	emental
LRB	Number	07-3613/1		Intro	duction Num	ber S	B-395	
This bi individ educat	Description This bill creates an individual income tax deduction for an amount of up to \$250 that is paid by an eligible educator for educational materials or supplies for use in a public, private, or tribal school, or a charter school.							
Fiscal	Effect							
	No State Fiscondeterminate Increase E Appropriat Decrease Appropriat Create Ne	Existing ions Existing	☐ Increase Revenue ☑ Decrease Revenue	s Existing	to ab	ase Costs sorb within Yes ease Costs	agency	
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Village Counties Others Districts								
Fund Sources Affected Affected Ch. 20 Appropriations								
GPR FED PRO PRS SEG SEGS								
Agenc	y/Prepared E	Ву	Autl	norized S	Signature			Date
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Fiscal Estimate Narratives DOR 1/23/2008

LRB Number	07-3613/1	Introduction Number	SB-395	Estimate Type	Original			
Description								
This bill creates an								
individual income tax deduction for an amount of up to \$250 that is paid by an eligible								
educator for educational materials or supplies for use in a public, private, or tribal								

Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows a deduction from gross income for up to \$250 of qualified expenses paid by an eligible educator through tax year 2007. Since the Wisconsin definition of the Internal Revenue Code does not allow the deduction for purposes of calculating Wisconsin state income tax, claimants must add this deduction back for Wisconsin purposes for tax year 2007.

This bill updates the Wisconsin definition of the Internal Revenue Code to allow the educator expenses deduction for Wisconsin for taxable years beginning after December 31, 2008. The bill also creates a Wisconsin individual income tax deduction, effective beginning in tax year 2009, for an amount of up to \$250 that is paid by a classroom teacher for educational materials or supplies for use in a public or private school. The Wisconsin deduction does not apply for years in which the federal deduction is available.

Based on a simulation using the 2005 Individual Income Tax Sample inflated to 2009 income levels and law, it is estimated that the bill will reduce revenue by \$1.3 million in fiscal year 2010.

Long-Range Fiscal Implications

school, or a charter school.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

	\boxtimes	Original			Updated			Corrected		Supplemental		
L	RB	Number	07-361	3/1	l		Intro	duction Nu	mber	SB-395		
Th ind ed sc	Description This bill creates an individual income tax deduction for an amount of up to \$250 that is paid by an eligible educator for educational materials or supplies for use in a public, private, or tribal school, or a charter school.											
	I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):											
11.	Ann	ualized Cos	ts:				Annualized Fiscal Impact on funds from:					
L								Increased Cost	ts	Decreased Costs		
A.	Stat	te Costs by	Category									
Ц	State	e Operations	- Salaries	and	Fringes				\$	\$		
Ц	(FTE	Position Ch	anges)									
	State	e Operations	- Other Co	sts								
	Loca	al Assistance										
	Aids	to Individual	s or Organi	izati	ons							
	TC	OTAL State (Costs by C	Cate	gory				\$	\$		
В.	Stat	te Costs by	Source of	Fun	ds							
	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, ets.)											
							Increased Re	٠V	Decreased Rev			
П	GPR	Taxes						9	\$	\$-1,300,000		
П	GPR	Earned							1			
П	FED								1			
П	PRO	/PRS										
П	SEG.	/SEG-S	***************************************									
П	Тс	OTAL State F	Revenues					\$	5	\$-1,300,000		
	NET ANNUALIZE					LIZEC	FISC/	AL IMPACT				
						·	State	e	Local			
NE	NET CHANGE IN COSTS				1		\$		\$			
NE	NET CHANGE IN REVENUE				1	,	\$-1,300,000		\$			
								τ ,- ,	<u> </u>			
Agency/Prepared By Authorized Signature							Date					
DOR/ Bradley Caruth (608) 261-8984				ebecca Boldt (608) 266-6785 1/23/20								