Fiscal Estimate - 2007 Session

	Original		Updated		Corrected		Supple	emental	
LRB N	umber 07-	3887/3		Introd	duction Nu	ımber S	B-447		
Description The income and franchise tax credit that supplements the federal historic rehabilitation tax credit									
Fiscal Eff	ect	' v ·				**			
Local: Inde	State Fiscal Effecterminate Increase Existing Appropriations Decrease Existing Appropriations Create New Appropriations Create New Appropriations Eterminate Increase Costs Decrease Costs Decrease Costs Decrease Costs Decrease Costs	g ropriation ent Costs s Mandato	3. Increase F ry Permissive 4. Decrease	Existing Revenue Man Revenue	5.Typ Gor datory	crease Costs absorb withi Yes ecrease Cost Des of Local vernment Un Towns Counties School Districts	n agency	d's budget No No Cities	
Fund Sources Affected Affected Ch. 20 Appropriations									
GPR FED PRO PRS SEG SEGS									
Agency/P	repared By		Auth	orized S	ignature	yen yasız Avyolusiye.	Siviens, IIII	Date	
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Fiscal Estimate Narratives DOR 2/12/2008

LRB Number 07-	3887/3	Introduction Number	SB-447	Estimate Type	Original	
Description						
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 Updated	Corrected	Supplemental				
LRB Number 07-3887/3	Introduction Numb	er SB-447				
Description The income and franchise tax credit that sup	pplements the federal historic reh	abilitation tax credit				
I. One-time Costs or Revenue Impacts for annualized fiscal effect):	r State and/or Local Governme	nt (do not include in				
II. Annualized Costs:	Annualized Fisca	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		W				
Aids to Individuals or Organizations						
TOTAL State Costs by Category	\$	\$				
B. State Costs by Source of Funds						
GPR	A Marian					
FED						
PRO/PRS						
SEG/SEG-S						
III. State Revenues - Complete this only v revenues (e.g., tax increase, decrease in	when proposal will increase or license fee, ets.)	decrease state				
	Increased Rev	Decreased Rev				
GPR Taxes	\$	\$				
GPR Earned						
FED						
PRO/PRS						
SEG/SEG-S	The state of the s					
TOTAL State Revenues	\$	\$				
NET ANNU	JALIZED FISCAL IMPACT					
	<u>State</u>	Local				
NET CHANGE IN COSTS	\$	\$				
NET CHANGE IN REVENUE	\$	\$				
Agency/Prepared By	Authorized Signature	Date				
DOR/ Bradley Caruth (608) 261-8984	Rebecca Boldt (608) 266-6785	2/12/2008				