

Fiscal Estimate Narratives

DOR 12/17/2007

LRB Number	07-3290/1	Introduction Number	AB-0583	Estimate Type	Original
Description Creating an individual income tax deduction for amounts paid for certain energy assistance fees					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an individual income tax deduction for amounts paid for a low-income energy assistance fee paid by an individual.

According to the Department of Administration Division of Energy Services, residential customers pay approximately \$50 million in low-income energy assistance annually. Assuming an average marginal income tax rate of 5.5%, the bill could reduce revenue by approximately \$2.75 million annually if all eligible individuals claimed the subtraction. Since the average tax reduction per return is expected to be approximately \$1, it is likely that a significant portion the deduction will be unclaimed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating an individual income tax deduction for amounts paid for certain energy assistance fees			
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		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$SeeText	\$
Agency/Prepared By		Authorized Signature	Date
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