Fiscal Estimate - 2007 Session

X	Original		Updated		Corrected		Supplemental
LRB	Number	07-2255/1		Introd	uction Numb	oer A	NB-0953
Descr a nonr volunt	efundable inc	dividual income ander, or volunt	tax credit for teer emergend	certain income cy medical tech	received by a v	olunteer	fire fighter,
Fiscal	Effect	E					
	No State Fisco Indeterminate Increase I Appropria Decrease Appropria Create No	Existing tions Existing	Reve Decr Reve	ease Existing enues ease Existing enues	to abs		s - May be possible in agency's budget \B\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Local	No Local Go Indeterminat 1. Increas Permiss 2. Decrea	e Costs sive∭Mandat	3. Increory Perm 4. Decr	ease Revenue nissive Mand rease Revenue nissive Mand	datory To	nment U <u>r</u>	nits Affected Village Cities Others WTCS Districts
Fund	Sources Aff	ected			Affected Ch	. 20 App	propriations
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Agen	cy/Prepared	Ву	A STATE OF THE STA	Authorized S	ignature		Date
DOR/	Bradlev Caru	ıth (608) 261-8	984	Rebecca Bold	t (608) 266-678	5	4/9/2008

Fiscal Estimate Narratives DOR 4/9/2008

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		by a volunteer fire	e tignter,
		dit for certain income received rgency medical technician.	dit for certain income received by a volunteer fire regency 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 x \$500 x 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 x 2 x \$10 x 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

Description a nonrefundable individual income tax credit for certain income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician. 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 A. State Costs by Category State Operations - Salaries and Fringes \$ (FTE Position Changes) State Operations - Other Costs Local Assistance Aids to Individuals or Organizations
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III. Annualized Costs: Annualized Fiscal Impact on funds from Increased Costs A. State Costs by Category State Operations - Salaries and Fringes (FTE Position Changes) State Operations - Other Costs Local Assistance
Increased Costs Decreased Costs A. State Costs by Category State Operations - Salaries and Fringes \$ \$ (FTE Position Changes) State Operations - Other Costs Local Assistance
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State Operations - Salaries and Fringes \$ \$ (FTE Position Changes) State Operations - Other Costs Local Assistance
(FTE Position Changes) State Operations - Other Costs Local Assistance
State Operations - Other Costs Local Assistance
Local Assistance
Aids to Individuals or Organizations
Alus to individuals of 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, ets.)
Increased Rev Decreased Rev
GPR Taxes \$ \$-620,000
GPR Earned
FED
PRO/PRS
SEG/SEG-S
TOTAL State Revenues \$ \$-620,000
NET ANNUALIZED FISCAL IMPACT
<u>State</u> <u>Loca</u>
NET CHANGE IN COSTS \$
NET CHANGE IN REVENUE \$-620,000 \$
Agency/Prepared By Authorized Signature Date
DOR/ Bradley Caruth (608) 261-8984 Rebecca Boldt (608) 266-6785 4/9/2008