

Fiscal Estimate Narratives

DVA 4/5/2007

LRB Number	07-1617/1	Introduction Number	SB-101	Estimate Type	Original
Description Expanding eligibility for the veterans and surviving spouses property tax credit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Veterans and Surviving Spouse property tax credit may be claimed by certain Wisconsin Veterans and by the unremarried surviving spouse. To be eligible to claim the credit, the veteran must meet several criteria, including being at least 65 years old, having been a resident of this state at the time of entry into the service, and having a service connected disability rating of 100%.

This bill will expand eligibility for the credit. Under the bill, the 65 year old age requirement would be repealed. Also, a veteran, or the unremarried surviving spouse of a veteran, would be eligible if the veteran had been a resident of this state for any consecutive 10-year period after entry into federal active duty military service.

Currently, there are 1,057 Wisconsin veterans with a schedular, combined federal VA service-connected disability rating of 100% and who are 65 years old of which an estimated 719 may be eligible to claim the property tax credit. According to available data 68% of Wisconsin's households own a home. There are 4,137 Wisconsin veterans who have a schedular combined service-connected disability rating of 100%. Using the same methodology used in 2005, there would be about 2,094 (4,137 x 68% - 719) eligible under the proposed bill. Data is not readily available to estimate, under the provisions of this bill, the number of individuals that have resided in the state for at least a consecutive ten year period, therefore, the fiscal effects of expanding eligibility is indeterminable.

It is important to note that using the 2005 methodology, 2005 estimates indicated roughly 1,200 would use the property tax credit benefit for a total estimate of approximately \$3 million. However actual usage of the credit was just under 300 or about one-fourth of the estimate for a total of \$866,255. It remains unclear why the actual usage was significantly lower than the estimate.

However, any increase in administrative cost to WDVA in certifying veterans status would be minimal and would be possible to absorb within the agency budget.

Long-Range Fiscal Implications