



## Fiscal Estimate Narratives

DOR 1/23/2008

LRB Number	<b>07-3480/2</b>	Introduction Number	<b>SB-354</b>	Estimate Type	<b>Original</b>
<b>Description</b> Exempting from income taxation certain employer-paid fringe benefits for mass transit expenses					

### Assumptions Used in Arriving at Fiscal Estimate

Current federal law for tax year 2008 exempts up to \$115 per month of the cost of a public transportation pass provided by an employer to an employee or the money paid by the employer to reimburse the employee for the cost of such a pass. The federal exclusion is indexed for inflation and the exclusion also applies to Wisconsin.

This bill provides an additional subtraction from income for up to \$115 per month of the cost of a public transportation pass provided by an employer to an employee or the money paid by the employer to the employee to purchase such a pass.

Based on a proration of the federal tax expenditure, the current law mass transit exclusion is expected to reduce individual income tax revenue by \$5.7 million in tax year 2008. This bill is consequently expected to reduce revenue by an additional \$5.7 million in tax year 2008.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-3480/2</b>		<b>Introduction Number</b> <b>SB-354</b>	
<b>Description</b> Exempting from income taxation certain employer-paid fringe benefits for mass transit expenses			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$-5,700,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-5,700,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-5,700,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	1/23/2008