Fiscal Estimate - 2009 Session

\boxtimes	Original		Updated		Corrected		Suppler	nental
LRB	Number	09-4125/1		Introdu	uction Num	ber A	B-0749	9
Description An income and franchise tax credit for equipment used to harvest or process woody biomass.								
	Fiscal Effect							
	No State Fisc Indeterminate Increase E Appropria Decrease Appropria	e Existing tions Existing	Reve Decre Reve	ease Existing	to ab	ase Costs sorb withi Yes ease Cos	n agency	e possible 's budget \to No
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Decrease Revenue Permissive Mandatory Decrease Revenue School Districts Districts								
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS								
Agen	cy/Prepared	Ву		Authorized S	ignature			Date
DOR/ Michael Oakleaf (608) 261-5173 Paul				Paul Ziegler (ll Ziegler (608) 266-5773			2/24/2010

Fiscal Estimate Narratives DOR 2/24/2010

LRB Number	09-4125/1	Introduction Number	AB-0749	Estimate Type	Original			
Description								
An income and franchise tax credit for equipment used to harvest or process woody biomass.								

Assumptions Used in Arriving at Fiscal Estimate

For taxable years that begin after December 31, 2008 and before January 1, 2015, the bill creates a refundable income and franchise tax credit in an amount equal to 10% of the amount that a taxpayer pays in a taxable year for equipment used exclusively to harvest or process woody biomass that is used as fuel or as a component of fuel. The credit is allocated by the Department of Commerce. The maximum amount that Commerce may allocate in each fiscal year is \$900,000, and the aggregate maximum credit that may be claimed by a claimant in all years is \$100,000.

According to the U.S. Census Bureau's Annual Survey of Manufacturers, pulp and paperboard (non-paper making) mills in Wisconsin spent \$322 million on capital expenditures in 2006 (the most recent year available). It is unknown how much of this amount can be attributed to the manufacture of woody biomass for fuel. However, if it is assumed that at least 3% of the \$322 million would be eligible under the bill, then the annual fiscal effect would be \$900,000, the maximum allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original Updated		Corrected		Supplemental			
LRB Number 09-4125/1		Introduction Numb	oer	AB-0749			
Description An income and franchise tax credit for equipment used to harvest or process woody biomass.							
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	900,000						
TOTAL State Costs by Category		\$900,000		\$			
B. State Costs by Source of Funds							
GPR		900,000					
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		\$		\$			
GPR Earned							
FED				***************************************			
PRO/PRS							
	SEG/SEG-S						
TOTAL State Revenues	\$		\$				
NET ANNUALIZED FISCAL IMPACT							
NET CHANGE IN COOTS	State		Local				
NET CHANGE IN COSTS	\$900,000		\$				
NET CHANGE IN REVENUE \$ \$							
Agency/Prepared By	thorized Signature		Date				
DOR/ Michael Oakleaf (608) 261-5173	ul Ziegler (608) 266-5773	2/24/2010					