



## Fiscal Estimate Narratives

DOR 4/29/2009

LRB Number	<b>09-0613/1</b>	Introduction Number	<b>AB-0205</b>	Estimate Type	<b>Original</b>
<b>Description</b> Adopting changes to the Internal Revenue Code for state income tax purposes related to deductions for energy efficient commercial buildings					

### Assumptions Used in Arriving at Fiscal Estimate

This bill adopts, for state income and franchise tax purposes, changes made to the Internal Revenue Code by the federal Tax Relief and Health Care Act of 2006 (P.L. 109-432) and the Emergency Economic Stabilization Act of 2008 (P.L. 110-343) related to a deduction for energy efficient commercial buildings. These two acts extended the eligibility for the deduction to property placed in service before January 1, 2014. The maximum deduction is \$1.80 per square foot of a qualified commercial property. Qualified systems include interior lighting, heating, cooling, ventilation, and hot water systems.

Wisconsin has not adopted the deduction.

Based on cost estimates made by the Joint Committee on Taxation of the U.S. Congress, the fiscal effect of adopting the federal deduction for energy efficient commercial buildings is a revenue loss of an estimated \$710,000 in FY 2010 and \$310,000 in FY 2011.

### Long-Range Fiscal Implications

For the following fiscal years, the fiscal effect is estimated to be:

FY 2012: Revenue loss of \$320,000  
FY 2013: Revenue loss of \$330,000  
FY 2014: Revenue loss of \$150,000  
FY 2015 and thereafter: Minimal fiscal effect

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Adopting changes to the Internal Revenue Code for state income tax purposes related to deductions for energy efficient commercial buildings			
<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, ets.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$See Text		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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