

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

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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, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$900,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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