

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-2310/1		Introduction Number AB-0754	
Description Income and franchise tax credit for lumber manufacturing facility investments and making an appropriation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DOR/ Michael Oakleaf (608) 261-5173		Paul Ziegler (608) 266-5773	2/24/2010

Fiscal Estimate Narratives
DOR 2/24/2010

LRB Number	09-2310/1	Introduction Number	AB-0754	Estimate Type	Original
Description Income and franchise tax credit for lumber manufacturing facility investments and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This 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 lumber manufacturing modernization and expansion. The credit is available for investments made in taxable years beginning after December 31, 2008 and before January 1, 2015. The Department of Commerce must certify claimants for the credit. The maximum amount of credits that Commerce may certify in FY 2010 is \$700,000, and the maximum amount of credits that Commerce may certify in fiscal years 2011 and after is \$800,000 per year.

Fiscal Estimate

Based on data from the U.S. Census Bureau's Survey of Manufacturers, annual capital investment in the lumber manufacturing industry in Wisconsin was approximately \$460 million in 2006. For the three-year period of 2004 through 2006, annual capital investment averaged approximately \$490 million. Based on this, it is assumed that annual applications for the credit under the bill will exceed the maximum allowed. Therefore, fiscal effect is estimated to be \$700,000 in FY 2010 and \$800,00 per year in FY 2011 through FY 2015, the maximum allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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Description Income and franchise tax credit for lumber manufacturing facility investments and making an appropriation			
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	800,000		
TOTAL State Costs by Category	\$800,000		\$
B. State Costs by Source of Funds			
GPR	800,000		
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	\$800,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Michael Oakleaf (608) 261-5173		Paul Ziegler (608) 266-5773	2/24/2010