

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>09-3590/1</b>	<b>Introduction Number</b> <b>SB-345</b>	
<b>Description</b> Allowing an individual without a qualifying child to claim the earned income tax credit		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" 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 type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <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		
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    0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(f)		
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Rebecca Boldt (608) 266-6785	<b>Date</b> 11/3/2009

## Fiscal Estimate Narratives

DOR 11/3/2009

LRB Number	<b>09-3590/1</b>	Introduction Number	<b>SB-345</b>	Estimate Type	<b>Original</b>
<b>Description</b> Allowing an individual without a qualifying child to claim the earned income tax credit					

### Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows low-income, childless individuals and families to claim a refundable earned income tax credit (EITC). The credit is based on the claimant's earned income, marital status, and the number of qualifying children.

Wisconsin has a refundable state EITC that is calculated as a percentage of the federal credit. For families with one qualifying child, the state credit is equal to 4 percent of the federal credit. The state credit increases to 14 percent of the federal credit for claimants with two qualifying children and 43 percent for claimants with three or more qualifying children. Wisconsin does not have a state EITC for childless individuals.

This bill allows childless individuals who claim the federal EITC to claim the state EITC in an amount equal to 4 percent of the federal credit. The childless state EITC is expected to be claimed by approximately 100,000 filers annually at a cost of approximately \$1.0 million beginning in fiscal year 2011.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
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  Supplemental

LRB Number <b>09-3590/1</b>		Introduction Number <b>SB-345</b>	
<b>Description</b> Allowing an individual without a qualifying child to claim the earned income tax credit			
<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	1,000,000		
<b>TOTAL State Costs by Category</b>	<b>\$1,000,000</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR	1,000,000		
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	\$	\$	
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	\$1,000,000	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>			
DOR/ Bradley Caruth (608) 261-8984		<b>Authorized Signature</b>	
		Rebecca Boldt (608) 266-6785	
<b>Date</b>			11/3/2009