

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-4331/1		Introduction Number SB-550	
Description			
A food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 25%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations </div> <div style="width: 25%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 50%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>			
Local:			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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 <input type="checkbox"/> 0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
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		Rebecca Boldt (608) 266-6785	2/26/2010

Fiscal Estimate Narratives
DOR 2/26/2010

LRB Number	09-4331/1	Introduction Number	SB-550	Estimate Type	Original
Description A food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

For taxable years starting after December 31, 2009 and before January 1, 2017, the bill creates a refundable income and franchise tax credit equal to 10% of the amount that a claimant pays in the taxable year for food processing plant and food warehouse modernization or expansion related to the claimant's food processing operation. Credit amounts are allocated by the Department of Commerce. The maximum amount of credit that may be allocated by the Department of Commerce in FY 2010 is \$600,000, and the maximum amount of credit that may be allocated in fiscal year 2011 through 2017 is \$700,000 in each fiscal year. The maximum aggregate amount for all years that a claimant may claim is \$200,000.

According to the U.S. Census Bureau's Annual Survey of Manufacturers, in 2006 (the most recent year available) food manufacturers in Wisconsin spent \$623 million on capital expenditures. Based on this, it is assumed that applications for the credit will exceed the annual maximum. Therefore the fiscal effect is estimated to be a \$600,000 in FY 2010 and \$700,000 in fiscal years 2011 through 2017, the maximum credit amount allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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Description A food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, 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	700,000		
TOTAL State Costs by Category	\$700,000		\$
B. State Costs by Source of Funds			
GPR	700,000		
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	\$700,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By			
DOR/ Michael Oakleaf (608) 261-5173		Authorized Signature	
		Rebecca Boldt (608) 266-6785	
Date			2/26/2010