

Fiscal Estimate Narratives

DHS 7/21/2009

LRB Number	09-1583/2	Introduction Number	SB-056	Estimate Type	Original
Description An income and franchise tax credit for workplace wellness programs, granting rule-making authority, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an income and franchise tax credit for workplace wellness programs. The amount of the credit is equal to 30 percent of the amount that an employer pays in the taxable year to provide a workplace wellness program to any of its employees who are employed in this state. A workplace wellness program is a health or fitness program, as defined by administrative rule by the Department of Commerce, that is provided with health risk assessments.

In preparing this fiscal estimate, the Department considered whether the tax credit would result in improved health outcomes for Medicaid (MA)/BadgerCare Plus (BC+) recipients and therefore cost savings for the MA program. MA participants could benefit from wellness programs if they work for employers that offer such programs. From January through March 2009, there were 134,547 employed adults in 119,277 BC+ cases where at least one adult was employed. This represents 50.15% of the total BC+ caseload of 237,835 cases.

It is unknown how many employed MA/BC+ recipients work for an employer who would be participating in the tax credit wellness program. It is unknown the extent to which participation in an employer-sponsored program would reduce any health risk factors for this population which in turn would reduce the amount of MA paid.

The Department estimates enactment of this bill would show no immediate MA savings and any long term MA savings cannot be estimated. There would be no effect on DHS administrative costs.

Long-Range Fiscal Implications