

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-3488/1		Introduction Number SB-364		
Description Creating an individual income tax deduction for certain contributions to a Coverdell Education Savings Account				
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 type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<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		
<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		
Fund Sources Affected		Affected Ch. 20 Appropriations		
<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				
Agency/Prepared By		Authorized Signature		Date
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973		1/12/2012

Fiscal Estimate Narratives

DOR 1/12/2012

LRB Number	11-3488/1	Introduction Number	SB-364	Estimate Type	Original
Description Creating an individual income tax deduction for certain contributions to a Coverdell Education Savings Account					

Assumptions Used in Arriving at Fiscal Estimate

Under current federal law, individuals may contribute up to \$2,000 to a Coverdell Education Savings Account (CESA) each year for each designated beneficiary. The contributions are not tax deductible. However, the earnings from the accounts are exempt from taxation if the proceeds are used for qualified education expenses, as defined under federal law. Wisconsin conforms to federal law and allows and income tax exemption for the earnings from CESAs.

This bill creates a new individual income tax deduction for amounts contributed to a CESA.

Based on a simulation using 2008 individual income tax returns, adjusted for 2012 income levels and law, the deduction for contributions to CESAs is estimated to reduce revenue by \$880,000 annually beginning in fiscal year 2013.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3488/1		Introduction Number SB-364	
Description Creating an individual income tax deduction for certain contributions to a Coverdell Education Savings Account			
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			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
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	\$		\$-880,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$-880,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-880,000		\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	1/12/2012