

### Fiscal Estimate - 2011 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number 11-0343/1</b>		<b>Introduction Number AB-0047</b>	
<b>Description</b> Creating an individual income tax subtract modification for amounts received from the well contamination and abandonment compensation program			
<b>Fiscal Effect</b>			
<b>State:</b>			
<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			
<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	
<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			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	
		<b>Date</b>	
		4/6/2011	

## Fiscal Estimate Narratives

DOR 4/6/2011

LRB Number	11-0343/1	Introduction Number	AB-0047	Estimate Type	Original
<b>Description</b> Creating an individual income tax subtract modification for amounts received from the well contamination and abandonment compensation program					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Natural Resources (DNR) administers a program that provides compensation to persons with contaminated wells and wells that are unused. Under the program, DNR generally provides the lesser of \$9,000 or 75% of the costs associated with treating the well water, constructing a new well, obtaining clean water from another source, or of abandoning an unused well. In order to qualify for the program, eligible families must have income below \$65,000.

This bill creates an individual income tax deduction for amounts received by an individual from DNR under the contaminated and abandoned wells compensation program. The bill first applies to taxable years beginning on January 1 of the year in which the bill is enacted, except that if the bill takes effect after July 31 it first applies to taxable years beginning on January 1 of the year following the year in which it is enacted.

Based on data from DNR, compensation amounts under the program ranged from \$150,000 to \$300,000 annually during the last five years. Applying the average marginal tax rate for individuals with federal adjusted gross income below \$65,000, implies an annual revenue loss of \$6,000 to \$12,000.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 11-0343/1		<b>Introduction Number</b> AB-0047	
<b>Description</b> Creating an individual income tax subtract modification for amounts received from the well contamination and abandonment compensation program			
<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			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
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>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$SeeText		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	
		<b>Date</b>	
		4/6/2011	