



## Fiscal Estimate Narratives

DOR 1/31/2012

LRB Number	<b>11-3846/1</b>	Introduction Number	<b>SB-396</b>	Estimate Type	<b>Original</b>
<b>Description</b> Financial assistance for the livestock premises registration program, a tax credit for livestock identification tags and tag-reading equipment, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

The bill creates a non-refundable income and franchise tax credit equal to 25% of the amount that a taxpayer paid in the taxable year for radio frequency identification tags for the taxpayer's livestock located in this state and 25% of the amount that a taxpayer paid in the taxable year for equipment used in this state to read radio frequency identification tags on livestock. Unused credit amounts may be carried forward for 15 years.

### Fiscal Estimate

Based on information provided by the Wisconsin Livestock Identification Consortium, it is assumed that approximately 300,00 eligible tags would be purchased in 2012, with the number rising to approximately 455,000 by 2016, and that the tags would be purchased at an average cost of \$2.50 per tag. In addition, it is assumed that approximately 1,700 tag readers will be purchased in 2012, with the number of readers purchased increasing to approximately 3,000 in 2016, and that the readers would be purchased at an average cost of \$1,000 each. Based on this, the bill would result in a reduction in revenue of an estimated \$155,000 in FY 2012, \$635,000 in FY 2013, \$720,000 in FY 2014, \$820,000 in FY 2015, and \$950,000 in FY 2016.

The fiscal effect would be reduced to the extent that other tax credits, including the Dairy and Livestock Farm Investment Credit, the Beginning Farmer and Farm Asset Credit, and the Qualified Production Activities Income Credit, reduce the tax liability of claimants of the credit created in the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Financial assistance for the livestock premises registration program, a tax credit for livestock identification tags and tag-reading equipment, and making an appropriation			
<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	\$		\$-950,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-950,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-950,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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