

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1537/1	Introduction Number SB-084	
Description Expanding the eligibility of an unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <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 <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 checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(em)		
Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature Rebecca Boldt (608) 266-6785	Date 6/10/2011

Fiscal Estimate Narratives

DOR 6/10/2011

LRB Number	11-1537/1	Introduction Number	SB-084	Estimate Type	Original
Description Expanding the eligibility of an unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, eligible veterans and surviving spouses may claim a refundable credit in the amount of the property taxes paid during the year on their principal dwellings in Wisconsin. To be eligible for the credit, veterans must meet several criteria including:

- Having been a Wisconsin resident at the time of entry into service or for any consecutive five-year period after entry into that service.
- Currently being a Wisconsin resident for the purpose of veterans' benefits
- Having a service-connected disability (SCD) rating of 100% or a 100% disability rating based on individual unemployability.
- Being certified by the Wisconsin Department of Veterans Affairs (DVA) as eligible.

An eligible surviving spouse must generally be an unremarried surviving spouse of an individual who was considered to be an eligible veteran at the time of death. Claimants of the credit may not claim the school property tax credit, the homestead credit, the farmland tax relief credit, or the farmland preservation credit.

This bill extends eligibility for the credit to unremarried surviving spouses receiving dependency and indemnity compensation from the federal government due to the individual's status as a veteran whose death was service-connected.

Based on calculations using data from the Department of Veterans Affairs, it is estimated that there are approximately 5,592 surviving spouses receiving death and indemnity compensation in Wisconsin. Adjusting for homeownership rates and current claimants, this bill is expected to extend eligibility to 3,024 new claimants.

The average credit claimed in tax year 2009 was \$2,980, implying an annual increase of \$9.0 million in the veterans property tax credit ($\$2,980 \times 3,024$). Assuming these newly eligible claimants would have otherwise claimed the school property tax credit, the bill would reduce the credit (and consequently increase general fund revenue) by \$900,000 ($\$300 \times 3,024$). As such, the net cost of the bill is expected to be approximately \$8.1 million annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Expanding the eligibility of an unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit			
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	9,000,000	
	TOTAL State Costs by Category	\$9,000,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS (20.835(2)(em))	9,000,000	
	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	\$900,000	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$900,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$9,000,000	\$
	NET CHANGE IN REVENUE	\$900,000	\$
Agency/Prepared By		Authorized Signature	Date
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