

### Fiscal Estimate - 2011 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-3116/1	<b>Introduction Number</b> <b>SB-019 (SE1)</b>
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**Description**  
 Exempting from income taxation certain employer-paid fringe benefits for mass transit expenses

**Fiscal Effect**

**State:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> No State Fiscal Effect<br><input type="checkbox"/> Indeterminate<br><input type="checkbox"/> Increase Existing Appropriations<br><input type="checkbox"/> Decrease Existing Appropriations<br><input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues<br><input checked="" type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Decrease Costs |
|---|---|---|

**Local:**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> No Local Government Costs<br><input type="checkbox"/> Indeterminate<br>1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <b>5. Types of Local Government Units Affected</b><br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others      0<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
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- GPR     FED     PRO     PRS     SEG     SEGS

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	John Koskinen (608) 267-8973	10/14/2011

## Fiscal Estimate Narratives

DOR 10/14/2011

LRB Number 11-3116/1	Introduction Number SB-019 (SE1)	Estimate Type Original
<b>Description</b> Exempting from income taxation certain employer-paid fringe benefits for mass transit expenses		

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates an individual income tax exemption for the cost of a public transportation pass provided by an employer to an employee, or for the money paid by an employer to an employee to purchase such a pass. The maximum exemption is set at \$230 per month. The bill first applies to taxable years beginning on January 1, 2012.

Under federal law a similar exemption currently exists for up to \$230 per month. The federal exemption is set to revert to a maximum of \$120 per month beginning on January 1, 2012. It has been extended on an annual basis in the past. Wisconsin follows the federal exemption, but currently limits the amount to \$120 per month. As a result, this bill effectively increases the state exemption to \$230 per month regardless of whether the federal exemption remains at the \$230 per month level.

The fiscal effect of this bill can be determined based on estimates of the cost of extending the current federal law. The revenue loss of increasing the current \$120 per month exemption to \$230 per month is approximately \$1.2 million annually beginning in fiscal year 2013.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 11-3116/1		<b>Introduction Number</b> SB-019 (SE1)	
<b>Description</b> Exempting from income taxation certain employer-paid fringe benefits for mass transit expenses			
<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	\$	\$-1,200,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-1,200,000</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-1,200,000	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		John Koskinen (608) 267-8973	10/14/2011