## Fiscal Estimate - 2013 Session

$\boxtimes$	Original		Updated		Corrected		Supplemental
LRB	Number	13-2557/1		Intro	duction Num	ber A	B-0303
<b>Descr</b> Creati		dable individua	al income tax credi	t for inte	rest paid on certa	ain studen	t loans
Fiscal	Effect						
	No State Fisca Indeterminate Increase E Appropriati Decrease I Appropriati Create Nev	existing ions Existing	Increase I Revenues Decrease Revenues	s Existing	to abs		s - May be possible n agency's budget No
	No Local Gov Indeterminate 1. Increase Permissi 2. Decreas	e Costs ive Mandato	3. Increase Increase Increase Increase Increase Increase	e Mar Revenu	Gover  Gover  Gover  Country  Country		uits Affected Village Cities Others WTCS Districts
	Sources Affe	cted PRO	PRS SEG	SE	Affected CI	n. 20 App	ropriations
Agona	w/Dropored 5	21/	A41	orizod (	Signature		Date
	cy/Prepared E	-			•		
DOR/	<b>Bradley Carut</b>	h (608) 261-89	84 Mich	ael Wag	ner (608) 266-67	'85	9/6/2013

## Fiscal Estimate Narratives DOR 9/6/2013

LRB Number	13-2557/1	Introduction Number	AB-0303	Estimate Type	Original	
Description						
Creating a nonrefundable individual income tax credit for interest paid on certain student loans						

## **Assumptions Used in Arriving at Fiscal Estimate**

This bill provides a nonrefundable tax credit equal to the amount paid for educational interest expenses during the year. "Educational interest expenses" is defined to mean any amount of interest paid on a loan, the proceeds of which are used to pay for tuition, fees, books, room and board, and educational supplies that are directly related to the claimant's attendance at an eligible educational institution. "Eligible educational institution" is defined to mean a regionally accredited, nonprofit, post-secondary educational institution.

The credit may not be claimed by nonresidents and part-year residents. Unused credit amounts may not be carried forward to future years.

The bill limits the maximum amount of credits that may be claimed in any fiscal year to \$15 million. The Department of Revenue (DOR) is required to create a procedure to ensure the limit is not exceeded.

The bill is expected to reduce revenue by \$15 million annually beginning in fiscal year 2015.

**Long-Range Fiscal Implications** 

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

$\boxtimes$	Original		Updated		Corrected		Supplemental	
LRB	Number	13-2557	/1	Intr	oduction N	umber	AB-0303	
<b>Descri</b> Creatir		dable individ	ual income to	ax credit fo	r interest paid o	on certain st	udent loans	
	time Costs ( lized fiscal e		mpacts for	State and/	or Local Gove	rnment (do	not include in	
II. Ann	ualized Cos	ts:			Annualized	Fiscal Imp	act on funds from:	
					Increased Co	osts	Decreased Costs	
A. Stat	e Costs by	Category						
State	e Operations	- Salaries an	d Fringes			\$	\$	
(FTE	Position Ch	anges)						
State	e Operations	- Other Costs	3					
Loca	al Assistance							
Aids	to Individual	s or Organiza	itions					
TO	OTAL State	Costs by Cat	egory			\$	\$	
B. Stat	te Costs by	Source of Fu	ınds					
GPR								
FED								
PRC	/PRS							
SEG	/SEG-S							
		- Complete increase, de			sal will increas ets.)	se or decre	ase state	
					Increased F	Rev	Decreased Rev	
GPR	? Taxes					\$	\$-15,000,000	
GPR	R Earned							
FED								
	/PRS							
-	/SEG-S							
TOTAL State Revenues					\$	\$-15,000,000		
			NET ANNUA	LIZED FIS	CAL IMPACT			
					<u>St</u>	tate	Local	
NET CHANGE IN COSTS					\$	\$		
NET CHANGE IN REVENUE				\$-15,000,0	000	\$		
Agenc	y/Prepared I	Ву		Authorize	d Signature		Date	
DOR/ Bradley Caruth (608) 261-8984 Mid				Michael W	ichael Wagner (608) 266-6785			