

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2852/1	Introduction Number AB-0334	
Description Restoring indexing provisions to the homestead tax credit		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input 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		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(c)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984	Michael Wagner (608) 266-6785	9/6/2013

Fiscal Estimate Narratives

DOR 9/6/2013

LRB Number	13-2852/1	Introduction Number	AB-0334	Estimate Type	Original
Description Restoring indexing provisions to the homestead tax credit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, low-income homeowners and renters may qualify for a refundable homestead tax credit based on their household income and property taxes or rent constituting property taxes. The maximum credit is \$1,168 for claimants with household income of no more than \$8,060 and property taxes of at least \$1,460. The credit amount phases out at income levels above \$8,060 and no credit is allowed for persons with household income above \$24,680.

Under this bill, the homestead credit formula factors are indexed for inflation in 2013 and thereafter using the procedure that existed prior to 2011 Wisconsin Act 32.

Based on simulations using the 2011 homestead credit claims, the bill is expected to increase the credit amount by \$17.6 million in fiscal year 2014, \$23.5 million in fiscal year 2015, and increasing amounts annually thereafter.

The Department of Revenue expects to have finalized the 2013 homestead credit forms and instructions and send them to the printer prior to the passage of this bill. As such, this bill would require reprinting those forms and instructions. DOR anticipates a one-time administrative cost of \$30,000 associated with this reprinting.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Restoring indexing provisions to the homestead 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			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
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	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$See Text	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		Michael Wagner (608) 266-6785	
		Date	
		9/6/2013	