

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-3170/2		Introduction Number AB-0538		
Description Modifying the jobs credit to provide an increased credit to small businesses				
Fiscal Effect				
State:				
<input checked="" type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<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 type="checkbox"/> SEG <input type="checkbox"/> SEGS				
Affected Ch. 20 Appropriations				
Agency/Prepared By		Authorized Signature		Date
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Fiscal Estimate Narratives

DOR 12/12/2013

LRB Number	13-3170/2	Introduction Number	AB-0538	Estimate Type	Original
Description Modifying the jobs credit to provide an increased credit to small businesses					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an employer who undertakes certain business activities in this state may claim the jobs tax credit in an amount not to exceed 10% of the wages paid to eligible full-time employees in this state. The total amount of the credit may not exceed \$10,000 per eligible employee. Employers are certified as eligible for the credit by the Wisconsin Economic Development Corporation (WEDC). WEDC may not certify more than \$10 million in Jobs Tax Credits in any calendar year.

Under the bill, an employer who operates a small business in this state may claim the jobs tax credit in an amount not to exceed 15 percent of the wages paid to eligible full-time employees in this state. The total amount of the credit may not exceed \$10,000 per eligible employee. Under the bill, a "small business" is defined as a business entity that is independently owned and operated and not dominant in its field, and that employs 25 or fewer eligible employees or that has gross annual sales of less than \$5,000,000.

Fiscal Estimate

Because the bill makes no changes to the \$10 million annual credit limit, the bill would have no fiscal effect. Any increase in the amount of credit certified for small businesses would necessarily be offset by a correspondingly lower amount of credit certified to other businesses due to the annual limit.

Long-Range Fiscal Implications