



## Fiscal Estimate Narratives

DOR 2/25/2014

LRB Number	13-3849/1	Introduction Number	SB-624	Estimate Type	Original
<b>Description</b> Income tax credit for the moving expenses paid by a business relocating to this state					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable individual income tax credit for individuals who move their businesses to Wisconsin from another state or country. The credit is equal to 50% of the moving expenses related to the taxpayer's business beginning in tax year 2014. Unused credit amounts may be carried forward for 10 years.

Data are not available to precisely determine the aggregate amount of qualifying moving expenses under this bill. As such, the fiscal effect of the credit is unknown. However, under current law, individuals may claim a deduction for moving expenses in connection with a job or business. Wisconsin filers claimed approximately \$15.8 million in moving expense deductions in 2011.

Based on the share of returns with business income, if the moving expenses related to tangible personal property of taxpayer businesses are assumed to be about 10% of total moving expenses, the credit would be equal to 50% of the \$1.58 million business share of the deduction, or \$790,000 in 2011. Further adjusting for unused credit amounts, adding the credit amount to income as required by the bill, and converting to 2014 income levels, the fiscal impact of the credit would be to reduce revenue by approximately \$720,000 annually beginning in fiscal year 2015.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b>			
Income tax credit for the moving expenses paid by a business relocating to this state			
<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, ets.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-720,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-720,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-720,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		Michael Wagner (608) 266-6785	2/25/2014