Fiscal Estimate - 2015 Session

\boxtimes	Original	Up	dated		Corrected		Supplem	ental
LRB	Number 15-4	1533/1		Intro	oduction	Number	SB-706	
Description Creating a program for reimbursing the higher education debt of small farm operators, creating an individual income tax deduction for certain amounts received from such a program, granting rule-making authority, making an appropriation, and providing a penalty								
Fisca	l Effect							
State	No State Fiscal Effective Indeterminate Increase Existing Appropriations Decrease Existin Appropriations Create New App	g	∏Increase Revenue ⊠Decreas Revenue	es e Existi		☑Increase Co to absorb w ☑Ye ☑Decrease C	vithin agency es	
Local	No Local Governme Indeterminate 1. Increase Costs Permissive 2. Decrease Cos	s Mandato ts	3. Increase ry Permiss 4. Decrease ry Permiss	ive M e Reve	ue landatory nue	5.Types of Lo Governmen Affected Towns Countie School Districts	t Units Village s Others WTCS	3
Fund Sources Affected Affected Ch. 20 Appropriations								
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEGS								
Ager	ncy/Prepared By		Au	thorize	d Signatur	е		Date
DOR	/ Bradley Caruth (608	3) 261-89	84 Mic	hael W	agner (608)) 266-6785		2/9/2016

Fiscal Estimate Narratives DOR 2/9/2016

LRB Number 15-4533/1	Introduction Number SB-706	Estimate Type Original					
Description							
Creating a program for reimbursing the higher education debt of small farm operators, creating an							
individual income tax deduction for certain amounts received from such a program, granting rule-making							
authority, making an appropriation, and providing a penalty							

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a program that reimburses small farm operators for higher education debt. The bill requires the Higher Educational Aids Board (HEAB) to enter into agreements with individuals whom the council finds satisfy the eligibility requirements of the bill. HEAB will make five annual payments of equal amounts to the individual farm operators for reimbursement of their higher education debt. The total amount of the annual payments is \$30,000 or the total amount of the individual's outstanding education higher education debt, whichever is less.

The bill appropriates the following maximum amounts for the program: in FY17, \$60,000; in FY18, \$120,000; in FY19, \$180,000; in FY20, \$240,000; and in FY21 and thereafter, \$300,000 annually.

This bill also provides an income tax deduction for any amount received by an individual under the program to the extent such amount is included in federal adjusted gross income. Given the overall program limitations and the fact that a portion of the deduction for the reimbursement is likely to be offset by reduced student loan interest deductions, the fiscal effect of the tax deduction is expected to result in a minimal annual revenue loss.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

☑ Original ☐ Update	d	Corrected		Supplemental						
LRB Number 15-4533/1		Introduction Num	ber	SB-706						
Description Creating a program for reimbursing the higher education debt of small farm operators, creating an individual income tax deduction for certain amounts received from such a program, granting rule-making authority, making an appropriation, and providing a penalty										
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):										
II. Annualized Costs:	II. Annualized Costs:			Annualized Fiscal Impact on funds from:						
		Increased Costs		Decreased Costs						
A. State Costs by Category										
State Operations - Salaries and Frin	ges	\$		\$						
(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, ets.)										
4		Increased Rev		Decreased Rev						
GPR Taxes		\$		\$						
GPR Earned										
FED										
PRO/PRS										
SEG/SEG-S										
TOTAL State Revenues		\$		\$						
NET A	NNUALIZ	ZED FISCAL IMPACT								
		<u>State</u>		<u>Local</u>						
NET CHANGE IN COSTS	. \$	<u> </u>								
NET CHANGE IN REVENUE	•	\$See Text		\$						
Agency/Prepared By Authorized Signature Date										
DOR/ Bradley Caruth (608) 261-8984	ichael Wagner (608) 266-6	2/9/2016								
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