

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1673/2	Introduction Number AB-0178
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Description
 Tax credits and exemptions for businesses that sell noncompeting products in this state

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By WEDC/ John Parrish (608) 210-6869	Authorized Signature Amy Young (608) 210-6711	Date 4/29/2015
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Fiscal Estimate Narratives

WEDC 4/29/2015

LRB Number	15-1673/2	Introduction Number	AB-0178	Estimate Type	Original
Description Tax credits and exemptions for businesses that sell noncompeting products in this state					

Assumptions Used in Arriving at Fiscal Estimate

AB-178 directs WEDC, in a manner determined by the board, to certify qualifying corporations as eligible to claim income tax credits and exemptions. A corporation may claim the exemption if the board determines that the products sold by a corporation that relocates from another state or country to this state would not directly compete with the products sold of any other entity that has its commercial domicile in this state. The bill also directs the board to seek input from the entities doing business in this state in order to make the eligibility determinations.

According to the 2013-2014 Wisconsin Blue Book, there are 138,045 business establishments in Wisconsin, which was used as the basis for estimating the costs of fulfilling the requirements of sections 238.24 (1), (2) and (3) in the proposed bill.

The bill does not provide a new allocation, but instead requires WEDC to draw from existing resources and staff. At present, WEDC does not have the technical capacity or personnel necessary to fulfill the new statutory requirements as outlined under 238.24 (1) and (2) of the proposed bill. Holding current staffing levels constant, this may require WEDC to eliminate four (4) full-time positions in order to hire the estimated four (4) personnel needed to comply. Alternatively, if WEDC increased staffing to fulfill the requirements under the bill, it may reduce the resources available for other programs as the organization is largely funded from GPR to cover both operations and business incentives.

Long-Range Fiscal Implications