

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-0560/1</b>	<b>Introduction Number</b> <b>AB-0085</b>
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**Description**  
 Restoring indexing provisions to the homestead tax credit

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<b>5. Types of Local Government Units Affected</b> <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
<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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(c)	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Michael Wagner (608) 266-6785	3/24/2015

## Fiscal Estimate Narratives

DOR 3/24/2015

LRB Number	<b>15-0560/1</b>	Introduction Number	<b>AB-0085</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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 2014 and thereafter using the procedure that existed prior to 2011 Wisconsin Act 32.

Based on simulations using the fiscal year 2014 homestead credit claims, the bill would be expected to increase the credit amount by \$20.9 million in fiscal year 2015, \$26.2 million in fiscal year 2016, and increasing amounts annually thereafter. Because many fiscal year 2015 homestead credit claims have already been filed under current law, claimants will need to file amended returns to claim the additional credit amount under this bill. It is likely that much or all of the fiscal year 2015 fiscal effect would shift to fiscal year 2016, depending on the date of passage.

The bill would require additional printing and postage costs for replacement of 2014 homestead forms. It would also require additional hours of staff time in order to process and review amended returns. The Department of Revenue anticipates a one-time administrative cost of \$215,000 associated with these requirements.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
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<b>LRB Number</b> <b>15-0560/1</b>	<b>Introduction Number</b> <b>AB-0085</b>	
<b>Description</b> Restoring indexing provisions to the homestead tax credit		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
The bill would require additional printing and postage costs for replacement of 2014 homestead forms. It would also require additional hours of staff time in order to process and review amended returns. The Department of Revenue anticipates a one-time administrative cost of \$215,000 associated with these requirements.		
<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	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$See Text	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Michael Wagner (608) 266-6785	3/24/2015