

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1567/1	Introduction Number SB-038
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Description
 Expanding the eligibility of a veteran and an eligible unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<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			

Fund Sources Affected	Affected Ch. 20 Appropriations
<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)(em)	

Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature Michael Wagner (608) 266-6785	Date 2/26/2015
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Fiscal Estimate Narratives

DOR 2/26/2015

LRB Number	15-1567/1	Introduction Number	SB-038	Estimate Type	Original
Description Expanding the eligibility of a veteran and an eligible unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit					

Assumptions Used in Arriving at Fiscal Estimate

To qualify for the veterans and surviving spouses property tax credit under current law, a veteran must have been a resident of Wisconsin at the time of entry into military service or have been a resident of Wisconsin for any consecutive five-year period after entry into service. This bill reduces the five-year time period requirement to one year.

Data is not available to precisely determine the increase in claims that will result from reducing the residency requirement for the credit. However, based on available historical return data of all state income tax returns with any property tax credit claim, a change in residency requirements could increase the number of qualifying claimants by about 4%.

The fiscal year 2016 veterans and surviving spouses property tax credit appropriation is set at \$31.6 million in the executive budget bill. If this bill increases the veterans and surviving spouses property tax credit claims by 4%, it will increase the credit by approximately \$1.26 million annually beginning in fiscal year 2016. Because claimants cannot also claim the school property tax credit, it will simultaneously reduce school property tax credit claims by approximately \$130,000 annually beginning in fiscal year 2016. The net effect of these two changes is a net annual cost of \$1.13 million.

To the extent that the bill encourages eligible individuals to relocate to Wisconsin or to the extent that veterans and surviving spouses significantly differ from other property tax credit claimants with respect to residency tenure, the fiscal effect will be different.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Expanding the eligibility of a veteran and an eligible unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	1,260,000	
TOTAL State Costs by Category	\$1,260,000	\$
B. State Costs by Source of Funds		
GPR	1,260,000	
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.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$130,000	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$130,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,260,000	\$
NET CHANGE IN REVENUE	\$130,000	\$
Agency/Prepared By		
Authorized Signature		Date
DOR/ Bradley Caruth (608) 261-8984		Michael Wagner (608) 266-6785
		2/26/2015