

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-4424/1	Introduction Number SB-604
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Description
 Repealing the authority to create ABLE accounts in this state and creating tax benefits for contributions to ABLE accounts in other states

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

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

Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature Robert Schmidt (608) 266-5773	Date 1/26/2016
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Fiscal Estimate Narratives

DOR 1/26/2016

LRB Number	15-4424/1	Introduction Number	SB-604	Estimate Type	Original
Description Repealing the authority to create ABLE accounts in this state and creating tax benefits for contributions to ABLE accounts in other states					

Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows states to create Achieving a Better Life Experience (ABLE) accounts under which resident individuals from that state or another state may make contributions to tax-exempt savings accounts to pay for qualified expenses of designated beneficiaries with disabilities. The Wisconsin state budget bill (2015 Act 55) authorized the creation of ABLE accounts in Wisconsin and provided for a tax deduction for contributions to an account as well as tax exemption for earnings from an account.

This bill repeals the provisions which authorized the creation of ABLE accounts in Wisconsin, although contributions to another state's ABLE account continue to be tax-advantaged. Under this bill, some individuals may be deterred from contributing to any account if they are not able to open an account administered by Wisconsin. However, under this bill, the department expects that most individuals who would otherwise contribute to a Wisconsin account will contribute to an account operated by another state instead. The bill is expected to result in a minimal revenue gain corresponding to the foregone tax preference of those individuals who opt for no account instead of an out-of-state account.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Repealing the authority to create ABLE accounts in this state and creating tax benefits for contributions to ABLE accounts in other states		
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		
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, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$Minimal	\$
Agency/Prepared By		
Authorized Signature		Date
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