Fiscal Estimate - 2017 Session

☑ Original ☐ Updated	☐ Corrected ☐ Suppler	nental		
LRB Number 17-5136/1	Introduction Number AB-08	69		
Description Income and franchise tax credit for the development of low-income housing				
Fiscal Effect				
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Permissive Mandatory Perm 2. Decrease Costs 4. Decr	5.Types of Local Government Units Affected Towns Village Counties Othe Districts 5.Types of Local Government Units Affected Towns Village Counties Districts Districts	rs S		
Fund Sources Affected Affected Ch. 20 Appropriations				
GPR FED PRO PRS SEG SEGS				
Agency/Prepared By	Authorized Signature	Date		
WHEDA/ Debi Towns (608) 267-5200	Debi Towns (608) 267-5200	1/22/2018		

Fiscal Estimate Narratives WHEDA 1/22/2018

LRB Number 17-5136/1	Introduction Number AB-0869	Estimate Type	Original	
Description				
Income and franchise tax credit for the development of low-income housing				

Assumptions Used in Arriving at Fiscal Estimate

Possible reduction in state tax receipts could be up to \$42M, depending on usage.

On average, it has cost WHEDA approximately \$1.5M per year to allocate and monitor LIHTC. The federal LIHTC allocations total around \$13M. WHEDA does not use any of the allocation amount as fees but instead collects fees from the entities that receive the allocations. WHEDA anticipates a WI State LIHTC would be structured in similar fashion.

It is anticipated that WHEDA costs for a State LIHTC program would be tempered if the state program worked in conjunction with the federal program. There would be some efficiencies realized if these credits are allocated to the same portfolio of deals.

Long-Range Fiscal Implications