

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5466/1	Introduction Number SB-854
Description claiming the historic rehabilitation tax credit for replacing windows to remediate a lead hazard	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input 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 checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 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 <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
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 Michael Oakleaf (608) 261-5173
Date 3/1/2018	

Fiscal Estimate Narratives

DOR 3/1/2018

LRB Number	17-5466/1	Introduction Number	SB-854	Estimate Type	Original
Description claiming the historic rehabilitation tax credit for replacing windows to remediate a lead hazard					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an individual may claim a nonrefundable credit equal to 25% of the costs of preserving or rehabilitating the individual's historic property located in this state if the property is the individual's personal residence.

Qualifying costs include the interior of a window sash if work is done to the exterior of the window sash. Effective January 1, 2018, this bill stipulates that the rehabilitation work done on the interior and exterior of the window sash includes removing and replacing the window to remediate a lead hazard.

It is unclear how many historical residence rehabilitation projects occur and include window replacement for lead hazard remediation or if that number would significantly change as a result of the bill. As such, the fiscal effect of the bill is unknown.

However, for informational purposes, 265 individuals filed tax year 2016 claims for the current law credit in 2017. According to cost information provided by HomeAdvisor, Inc., the average cost of window replacement is about \$500 per window, though that can vary significantly depending on the type, size, location, age, and structural integrity of the existing windows. If the number of claimants remains comparable and the average claimant replaces five windows at an additional qualifying cost of \$2,500, the bill would reduce revenue by approximately \$166,000 annually ($\$2,500 \times 25\% \times 265$). To the extent that fewer/more lead-related window replacements occur or that the replacements cost less/more on average, the fiscal effect would be smaller/larger.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 17-5466/1		Introduction Number SB-854	
Description claiming the historic rehabilitation tax credit for replacing windows to remediate a lead hazard			
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, ets.)			
	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	\$See Text		\$
Agency/Prepared By		Authorized Signature	Date
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