

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number 19-1878/1		Introduction Number AB-0045	
Description creating individual and corporate income and franchise tax deductions for tuition paid for apprenticeship programs			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<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"/> 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	
<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	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<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		20.445(1)(a)	
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

DWD 3/13/2019

LRB Number	19-1878/1	Introduction Number	AB-0045	Estimate Type	Original
Description creating individual and corporate income and franchise tax deductions for tuition paid for apprenticeship programs					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an income and franchise tax deduction for tuition expenses paid by an individual, including a sole proprietor, or corporation for an individual, to participate in an apprenticeship program that is approved by the Department of Workforce Development (DWD). If the deduction is claimed by an individual, the participant in the apprenticeship program must be the individual or his or her dependent. The deduction first applies to taxable years beginning after December 31, 2019.

The bill does not specify any process requirements for the Department of Revenue (DOR) to use to validate claims for the tax deduction. If DOR processes do not require any DWD input, then this bill will have no fiscal impact for DWD. On the other hand, if DOR requires DWD to provide information to validate tax credit claims, then DWD will have costs associated with supporting the activities. For the purposes of this fiscal estimate, DWD assumes that DWD will incur the costs described below.

In 2018 DWD served over 13,700 registered apprentices who entered or were active in the program. Due to the number of participants, DWD's analysis shows that automation is the best option for providing robust, interoperable links for efficiently and accurately exchanging data between DWD and DOR. DWD estimates the need for a budget of 2000 Information Technology (IT) hours at an estimated hourly IT rate of \$90 per hour. This DOR/DWD data-sharing system is estimated to have a one-time cost of \$180,000 for IT development and ongoing system maintenance cost estimated at 200 IT hours, or \$18,000 annually.

Long-Range Fiscal Implications

Assuming DOR needs DWD information, the DOR/DWD data-sharing system described above will have ongoing maintenance estimated at 200 hours, or \$18,000 annually.