

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-5667/1	Introduction Number AB-0875
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Description
 modifying the medical care insurance subtraction for self-employed individuals

Fiscal Effect

State:

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

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"/> 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
<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	

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 2/10/2020
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Fiscal Estimate Narratives
DOR 2/10/2020

LRB Number	19-5667/1	Introduction Number	AB-0875	Estimate Type	Original
Description modifying the medical care insurance subtraction for self-employed individuals					

Assumptions Used in Arriving at Fiscal Estimate

This bill modifies the income tax subtraction for amounts paid for medical care insurance by self-employed individuals. Under current law, the subtraction may not exceed the individual's net earnings from a trade or business that are taxable by Wisconsin. Under the bill, the subtraction may not exceed the individual's wages, salary, tips, unearned income, and net earnings from a trade or business that are taxable by Wisconsin.

The bill similarly modifies the provision under current law that prorates the subtraction for self-employed nonresidents and part-year residents based on the percentage of the individual's net earnings from a trade or business taxable by Wisconsin to total net earnings from a trade or business. Under the bill, the subtraction is prorated based on the percentage of the individual's wages, salary, tips, unearned income, and net earnings from a trade or business that are taxable by Wisconsin to total wages, salary, tips, unearned income, and net earnings from a trade or business.

The law change will result in a revenue loss of up to \$9.5 million annually beginning in fiscal year 2021.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 19-5667/1		Introduction Number AB-0875	
Description modifying the medical care insurance subtraction for self-employed individuals			
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	\$See Text	\$
Agency/Prepared By		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		Michael Oakleaf (608) 261-5173	
		Date	
		2/10/2020	