

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-0203/1	Introduction Number SB-014
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Description
 an income and franchise tax credit for paid interns and making an appropriation

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others 0
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<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		

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/ Zach Petersen (608) 267-2428	Authorized Signature Michael Oakleaf (608) 261-5173	Date 2/4/2019
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Fiscal Estimate Narratives

DOR 2/4/2019

LRB Number	19-0203/1	Introduction Number	SB-014	Estimate Type	Original
Description an income and franchise tax credit for paid interns and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a refundable tax credit of \$2,500 for every paid intern a business employs in the state of Wisconsin, up to 40 interns. The definition of intern excludes migrant workers and individuals employed by seasonal employers or temporary help companies. The intern must be employed for at least 8 weeks, but not longer than 52 weeks. This bill would take effect for taxable years beginning on or after January 1, 2019.

Fiscal Estimate

Based on information provided by the National Association of Colleges and Employers and the Bureau of Economic Analysis, there are 8,700 paid internships in Wisconsin. The definition of "intern" in the bill would include apprenticeships as well. According to the Wisconsin Department of Workforce Development, there are 11,100 paid apprenticeships in Wisconsin that could qualify for the tax credit. The estimate assumes a 2% growth rate for interns and a 3% growth rate for apprenticeships. This bill would increase expenditures by \$12.7 million for FY 2019, \$51.3 million for FY 2020, and \$52.6 million for FY 2021.

This estimate may increase to the extent that summer employment is eligible or decrease depending on whether summer internships are determined to be seasonal jobs.

This estimate may decrease depending on the number of businesses that employ more than 40 interns during the year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 19-0203/1		Introduction Number SB-014	
Description an income and franchise tax credit for paid interns and making an appropriation			
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	52,600,000		
TOTAL State Costs by Category	\$52,600,000		\$
B. State Costs by Source of Funds			
GPR	52,600,000		
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	\$52,600,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
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