



## Fiscal Estimate Narratives

DOR 2/10/2020

LRB Number	<b>19-5380/1</b>	Introduction Number	<b>SB-776</b>	Estimate Type	<b>Original</b>
<b>Description</b> requiring the Department of Financial Institutions to implement a section 529A ABLE savings account program and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

Under current federal law, states may create a qualified Achieving a Better Life Experience (ABLE) program under which an individual may establish a tax-exempt savings account to pay for qualified expenses, such as education, housing, and transportation costs, for a beneficiary who is an individual with disabilities, as defined under federal law. Although these accounts cannot be established under this state's law, they can be established under another state's law, and if so established, contributions to these accounts are deductible from income and qualifying withdrawals from these accounts are exempt from taxation in this state.

This bill requires the Department of Financial Institutions to implement a qualified ABLE program under section 529A of the Internal Revenue Code, either directly or by entering into an agreement with another state or alliance of states. As it relates to individual income tax, the bill does not change the existing deduction for account contributions or the exemption for withdrawals. For fiscal year 2018, the existing law provision reduced revenue by a minimal amount. To the extent that establishing a state program encourages more Wisconsin residents to create or contribute to accounts, the bill may increase deductions claimed by Wisconsin residents for ABLE accounts. The bill is likely to result in a minimal revenue reduction.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> requiring the Department of Financial Institutions to implement a section 529A ABLE savings account program and granting rule-making authority			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$See Text	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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