

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-3942/1	Introduction Number AB-0709
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Description
 requiring universal changing stations in certain buildings and creating a tax credit for installation of the stations

Fiscal Effect

State:

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

Local:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue
<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"/> Cities
<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

- GPR FED PRO PRS SEG SEGS

Agency/Prepared By

Authorized Signature

Date

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11/12/2021

Fiscal Estimate Narratives

DOR 11/12/2021

LRB Number	21-3942/1	Introduction Number	AB-0709	Estimate Type	Original
Description requiring universal changing stations in certain buildings and creating a tax credit for installation of the stations					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires businesses to install a universal changing station and provides a tax credit to businesses with fewer than \$1 million in gross receipts or fewer than 30 employees for the installation of a universal changing station. The tax credit is equal to 50 percent of the amount the small business paid to install the universal changing station, up to a maximum credit of \$5,125. The credit applies for taxable years beginning after December 31, 2021.

Fiscal Effect

The bill will result in a revenue decrease. The magnitude of the decrease is indeterminate as data to make such an estimate do not exist. However, the following information is provided for illustrative purposes.

According to taxpayer data, 33% of businesses will qualify as a small business with less than \$1,000,000 in gross receipts. Tax returns do not disclose how many employees an employer has. Using building permit information from the City of Madison, the city issues approximately 650 commercial building permits a year for renovations/expansions. The City of Madison's GDP is around 5% of Wisconsin's GDP, and assuming the distribution of building permits mirrors the distribution of GDP, we can assume a state-wide estimate of 12,569 building permits annually (650/0.052). If we assume that one-third of those are small businesses, that implies 4,117 permits will qualify for the credit. Multiplying by the maximum amount of credit, \$5,125, the bill would decrease revenues by \$21.1 million annually.

The estimate may be larger or smaller depending on the amount of businesses that take advantage of the credit. The estimate may also be smaller depending on how many claimants do not receive the maximum value of the credit. The estimate may be larger depending on how many businesses qualify for the credit based on the employment threshold.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description requiring universal changing stations in certain buildings and creating a tax credit for installation of the stations		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): There is a one-time cost of \$12,620 associated with training and form changes.		
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	21,100,000	
TOTAL State Costs by Category	\$21,100,000	\$
B. State Costs by Source of Funds		
GPR	21,100,000	
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, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$-21,100,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$-21,100,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$21,100,000	\$
NET CHANGE IN REVENUE	\$-21,100,000	\$
Agency/Prepared By	Authorized Signature	Date
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