Fiscal Estimate - 2021 Session

☑ Original ☐ Updated	Corrected Supplemental					
LRB Number 21-1732/1	Introduction Number AB-0080					
Description adopting for state tax purposes federal changes to the earned income tax credit						
Fiscal Effect		-				
State:						
No State Fiscal Effect						
Indeterminate						
AppropriationsReve	ease Existing absorb within agency's budget	0				
Permissive Mandatory Perm 2. Decrease Costs 4. Decre Permissive Mandatory Perm	ease Revenue Counties Others ease Revenue School WTCS nissive Mandatory Districts Districts	ties				
Fund Sources Affected Ch. 20 Appropriations						
GPR FED PRO PRS SEG SEGS						
Agency/Prepared By	Authorized Signature Date					
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173 2/23/202	1				

Fiscal Estimate Narratives DOR 2/23/2021

LRB Number 21-1732/1	Introduction Number	AB-0080	Estimate Type	Original		
Description						
adopting for state tax purposes federal changes to the earned income tax credit						

Assumptions Used in Arriving at Fiscal Estimate

This bill adopts for state income tax purposes changes made by the federal Consolidated Appropriations Act of 2021 related to the earned income tax credit. Under current law, the Wisconsin EITC is equal to a percentage of the federal EITC. The EITC on both the state and federal levels is intended to provide financial assistance to low-income families. By adopting the changes made by the CAA, if a taxpayer's earned income for 2020 is less than the earned income for the preceding year, the taxpayer may elect to use the earned income for the preceding year for the taxable year 2020 for purposes of the EITC.

The provision in this bill was adopted under 2021 Wisconsin Act 1, so the bill has no further effect.

Long-Range Fiscal Implications