

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