

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5514/1	Introduction Number AB-0869
Description creating a rural pharmacy practice grant program administered by the Higher Educational Aids Board, exempting from taxation amounts received from such a grant program, granting rule-making authority, and making an appropriation	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<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 20.235(1)(fr)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
DOR/ Bradley Caruth (608) 261-8984	Ann DeGarmo (608) 266-7179
	Date
	1/26/2022

Fiscal Estimate Narratives

DOR 1/26/2022

LRB Number	21-5514/1	Introduction Number	AB-0869	Estimate Type	Original
Description					
creating a rural pharmacy practice grant program administered by the Higher Educational Aids Board, exempting from taxation amounts received from such a grant program, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a grant program administered by the Higher Educational Aids Board (HEAB) for pharmacists who engage in the practice of pharmacy in medically underserved areas in this state.

The bill establishes a rural pharmacy practice grant program to encourage pharmacists to engage in the practice of pharmacy in medically underserved areas in this state. To be eligible for the program, a pharmacist must engage in the practice of pharmacy in a medically underserved area in this state and commit to do so for at least three years after graduation from a school of pharmacy. For purposes of the bill, a "medically underserved area" is an area designated as such by the secretary of the federal Department of Health and Human Services. Under the program, an eligible pharmacist may be provided up to \$45,000 per year in financial assistance for up to two years. However, HEAB may provide financial assistance to no more than 10 pharmacists per year. A student enrolled in a school of pharmacy may apply to the program prior to becoming a licensed pharmacist. Financial assistance to a pharmacist participating in the program is provided after the pharmacist's year of pharmacy practice in a medically underserved area in this state.

Under the bill, any amount of financial assistance that a pharmacist receives under the program is exempt from taxation.

This fiscal note pertains specifically to the tax revenue impact of creating income tax exemption for the financial assistance granted by HEAB. Relative to current law, in which the financial assistance amounts would be taxable income, the exemption under this bill would reduce revenue by approximately, 5.2% of the amount distributed. This amount is the estimated 2022 average marginal rate of individuals who listed pharmacist as their occupation on their federal tax form. If HEAB provides the maximum amount of \$450,000 in assistance per year, the income tax exemption under this bill will reduce revenue by \$23,400 annually, beginning as soon as fiscal year 2022. To the extent that the average marginal tax rate of eligible pharmacists is lower or HEAB distributes less than the maximum amount authorized under the bill, the fiscal effect of the the tax exemption will also be smaller.

Long-Range Fiscal Implications

Wisconsin Department of Administration
 Division of Executive Budget and Finance

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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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			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
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		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
Agency/Prepared By		Authorized Signature	
DOR/ Bradley Caruth (608) 261-8984		Ann DeGarmo (608) 266-7179	
		Date	
		1/26/2022	