



## Fiscal Estimate Narratives

DOR 1/24/2022

LRB Number <b>21-4947/1</b>	Introduction Number <b>AB-0890</b>	Estimate Type <b>Original</b>
<b>Description</b> changes to the low-income housing tax credit		

### Assumptions Used in Arriving at Fiscal Estimate

The bill makes changes to the low-income housing credit by expanding the limit WHEDA may certify credits under the program to \$70 million from \$42 million. It also extends the credit period to ten years from six. The bill also instruct WHEDA to ensure that at least 35% of certified credits are for housing projects in rural areas. Additionally, the bill allows insurance companies to use the credit to offset insurance premium fees.

### Fiscal Estimate

The fiscal impact of the bill is unknown, but could be as high as \$28 million annually if all credits are certified and claimed. To the extent that WHEDA allocated fewer credits, the fiscal impact will be commensurately lower. Moreover, because the credit can be used to offset insurance premium fees, the fiscal effect may be a mix between reductions in those fees and reductions to corporate and franchise taxes.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> changes to the low-income housing tax credit .		
<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, etc.)</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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