

Fiscal Estimate Narratives

DOR 4/7/2021

LRB Number	21-2577/1	Introduction Number	SB-263	Estimate Type	Original
Description a tax credit for volunteer emergency responders					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, volunteer fire fighters, emergency medical responders, and emergency medical services practitioners may claim a nonrefundable credit equal to \$100 if they have served as a responder for at least five years. To be eligible for the credit, claimants must be in good standing with their department.

According to the Department of Health Services, 2017-18 Wisconsin EMS Workplace Survey, Wisconsin has approximately 17,000 EMS practitioners and 37%, or 6,290, are volunteers. Projecting that figure to 2021 using data from the Bureau of Labor Statistics suggests there are approximately 6,410 volunteers. The DHS survey also indicates, based on years of service, that approximately 80% of EMS practitioners have served for five or more years. As such, DOR estimates an aggregate credit of \$510,000 ($6,410 \times 80\% \times \100) for volunteer EMS practitioners.

The Department of Safety and Professional Services indicates that there were 17,499 volunteer fire fighters in Wisconsin and another 4,563 fire fighters who combined paid and volunteer work in 2017. Adjusting to 2021 using BLS projection, those figures have risen to about 17,910 and 4,670, respectively. The National Fire Protection Association, U.S. Fire Department Profile for 2018 indicates that about 68% of volunteer fire fighters have served for five or more years. This suggests that depending on the claimant status of fire fighters who combine paid and volunteer work, the aggregate credit amount for volunteer fire fighters could be \$1.22 million to \$1.54 million annually.

Combining volunteers who are EMS practitioners and fire fighters suggests the credit would cost \$1.73 million to \$2.05 million annually. To the extent that a percentage of volunteers do not meet the participation standards in the bill, the cost of the credit would be lower. Moreover, to the extent that a portion of emergency responders volunteer in multiple roles, they would be double counted above, overstating the fiscal effect of the credit.

DOR anticipates incurring \$6,890 in one-time administrative costs related to training staff as well as drafting and modifying tax forms, instructions, and other published guidance. DOR also anticipates ongoing annual costs of \$1,370 to process and review new credit claims. The department cannot absorb these costs with existing resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description a tax credit for volunteer emergency responders		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): DOR anticipates incurring \$6,890 in one-time administrative costs related to training staff as well as drafting and modifying tax forms, instructions, and other published guidance.		
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$See Text	\$
Agency/Prepared By Authorized Signature Date		
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