

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-6043/1</b>	<b>Introduction Number</b> <b>SB-981</b>
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**Description**  
 apprenticeship and youth apprenticeship completion awards, career and technical education incentive grants and completion awards, technical preparation programs in school districts and technical colleges, creating an individual income tax subtraction for expenses paid for apprenticeship programs, and making an appropriation

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<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 checked="" type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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	

<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Michael Oakleaf (608) 261-5173	<b>Date</b> 2/18/2022
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**Fiscal Estimate Narratives**

**DOR 2/18/2022**

LRB Number	<b>21-6043/1</b>	Introduction Number	<b>SB-981</b>	Estimate Type	<b>Original</b>
<b>Description</b> apprenticeship and youth apprenticeship completion awards, career and technical education incentive grants and completion awards, technical preparation programs in school districts and technical colleges, creating an individual income tax subtraction for expenses paid for apprenticeship programs, and making an appropriation					

**Assumptions Used in Arriving at Fiscal Estimate**

The bill makes a number of changes to state statutes related to apprenticeship programs in Wisconsin. As it pertains to the Department of Revenue, this fiscal note specifically addresses the income tax revenue implications of creating a new income tax subtraction for eligible apprenticeship expenses paid by individuals to participate in an apprenticeship program that is approved by the Department of Workforce Development.

The deduction first applies to taxable years beginning after December 31, 2021. The bill defines eligible apprenticeship expenses as those expenses eligible under an apprenticeship completion award program (ACAP) administered by DWD.

ACAP currently receives funding of \$500,000 GPR annually for DWD to partially reimburse eligible apprentices, sponsors, and employers for certain costs of related apprenticeship instruction. The bill increases the funding level to \$2,550,000 for fiscal year 2023. If DWD awards the full amount that it is allocated and that amount is used to pay for 25% of the cost of tuition incurred by the apprentice or sponsor, the new income tax subtraction could reduce taxable income by as much as \$10,200,000 annually. Assuming a marginal tax rate of 5%, the bill would reduce revenue by approximately \$510,000 annually.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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<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>
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	2/18/2022