

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-2831/1</b>	<b>Introduction Number</b> <b>SB-0272</b>
<b>Description</b> refundable income tax credit for bicycle purchases and making an appropriation	
<b>Fiscal Effect</b>	
<b>State:</b> <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 type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<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 20.835(2)(er)	
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Michael Oakleaf (608) 261-5173
<b>Date</b> 5/15/2023	

## Fiscal Estimate Narratives

DOR 5/15/2023

LRB Number	<b>23-2831/1</b>	Introduction Number	<b>SB-0272</b>	Estimate Type	<b>Original</b>
<b>Description</b> refundable income tax credit for bicycle purchases and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a refundable tax credit for individuals who purchase bicycles for their dependents. The credit is equal to the price paid for each bicycle, up to \$200 per dependent. The credit may be claimed only by individuals whose family income does not exceed 200% of the federal poverty line. Under the bill, the individual must submit with his or her tax return any documentation required by the Department of Revenue regarding the bicycle's purchase price.

According to the National Bicycle Dealers Association the average U.S. bicycle unit sales from 1996 to 2015 was approximately 17.7 million units per year. A trend of those sales suggests total sales of \$18.3 million units in 2024. According to U.S. Census product line data, Wisconsin accounts for approximately 2% of retail sales of adult bicycles and other cycles. Using this as a proxy for the share of Wisconsin bicycle sales, implies approximately 366,000 Wisconsin bicycle sales in 2024. In 2020, dependents claimed on Wisconsin returns with income below 200% of the federal poverty line accounted for approximately 9.7% of the state population. If these dependents accounted for a proportionate share of Wisconsin bicycle sales, they would account for approximately 35,400 bicycles in 2024. If each bicycle results in a \$200 credit, the bill could increase expenditures by up to \$7.08 million per year beginning in fiscal year 2025.

To the extent that dependents in families with income below 200% of the poverty line are underrepresented in Wisconsin bicycle sales, the fiscal effect would be smaller. Conversely, to the extent that the bill incentivizes additional purchases, the fiscal effect could be larger.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> refundable income tax credit for bicycle purchases and making an appropriation		
<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	\$See Text	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	5/15/2023