



## Fiscal Estimate Narratives

DOR 9/6/2023

LRB Number	23-3977/1	Introduction Number	SB-0398	Estimate Type	Original
<b>Description</b> a tax credit for transportation services for blind workers					

### Assumptions Used in Arriving at Fiscal Estimate

Beginning in tax year 2023, this bill creates a nonrefundable income tax credit for the costs of transportation services paid by a person considered blind for federal income tax purposes for transportation between the person's residence and place of employment. The credit is equal to 50 percent of the cost of those transportation services paid during a taxable year up to a maximum credit of \$1,500.

There is limited available data on the transportation services costs incurred by people with visual impairments for transportation to and from work. As a proxy, the 2017 U.S. Census Bureau American Housing Survey (AHS) reported on annual commuting costs of people who worked for pay by type of commuter. The survey reported a median annual total commuting cost of \$2,087 for people with a disability.

IRS tax records for Wisconsin indicate that 4,839 individuals were designated as blind for federal income tax purposes on their individual income tax returns in 2019. Further limiting this count to individuals with wages, yields a count of 2,250.

If each of these individuals claimed a tax credit for 50 percent of the \$2,087 in expenses reported in the AHS, the total credit would be approximately \$2.3 million ( $\$1043.5 \times 2,250$ ). Because the credit is nonrefundable and cannot exceed income tax liability, it would result in a revenue loss of approximately, \$1.3 million annually beginning in fiscal year 2023-24.

To the extent that the average cost of transportation services paid by a person with a visual impairment for transportation between their residence and place of employment differs from the median annual total commuting cost for people with a disability, the effect of the credit would also differ.

According to the American Rescue Plan Act (ARPA) Net Tax Reduction Calculation Update memo released by the Department of Administration on 8/28/2023, the remaining margin for tax reductions before triggering potential SLFRF recoupment at \$113 million for fiscal year 2023-24 and \$319 million for fiscal year 2024-25. This bill would reduce these margins by the amount of fiscal effect.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> a tax credit for transportation services for blind workers		
<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, ets.)</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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