

Fiscal Estimate Narratives

DOR 1/2/2024

LRB Number	23-5303/1	Introduction Number	SB-0865	Estimate Type	Original
Description a tax credit for recipients of deferred action under the Deferred Action for Childhood Arrivals program					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a \$250 nonrefundable income tax credit for persons who have been granted deferred action under the Deferred Action for Childhood Arrivals (DACA) program of the U.S. Department of Homeland Security.

According to the Department of Homeland Security, U.S. Citizenship and Immigration Services, Office of Performance and Quality, there were approximately 5,830 active DACA recipients in Wisconsin as of December 31, 2022. If all eligible individuals claimed the credit under this bill, it would result in a revenue loss of as much as \$1.46 million annually, beginning in fiscal year 2025.

Because the credit is limited by the claimant's tax liability, the revenue reduction will be less than the total credit amount. To the extent that eligible individuals do not claim the credit, the revenue effect will also be smaller.

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 2024 and \$319 million for fiscal year 2025. 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

LRB Number 23-5303/1	Introduction Number SB-0865	
Description a tax credit for recipients of deferred action under the Deferred Action for Childhood Arrivals program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
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		
	State	Local
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$See Text	\$
Agency/Prepared By	Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	1/2/2024