## Fiscal Estimate - 2025 Session

☑ Original ☐ Updated	Corrected Supple	nental						
LRB Number <b>25-1767/1</b>	Introduction Number AB-01	39						
Description a tax credit for relocating to this state due to Hurricane Helene or the Los Angeles wildfires								
Fiscal Effect								
Appropriations Reve Decrease Existing Decre Appropriations Reve Create New Appropriations  Local:	ease Existing absorb within agency's b							
□ No Local Government Costs       □ Indeterminate       5. Types of Local Government Units Affected         1. □ Increase Costs       3. □ Increase Revenue       □ Towns       □ Village       □ Cities         2. □ Decrease Costs       4. □ Decrease Revenue       □ Counties       □ Others         □ Permissive □ Mandatory       □ Permissive □ Mandatory       □ Districts       □ Districts								
Fund Sources Affected Affected Ch. 20 Appropriations								
☑ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS								
Agency/Prepared By	Authorized Signature	Date						
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	3/18/2025						

## Fiscal Estimate Narratives DOR 3/18/2025

LRB Number <b>25-1767/1</b>	Introduction Number	AB-0139	Estimate Type	Original			
Description							
a tax credit for relocating to this state due to Hurricane Helene or the Los Angeles wildfires							

## Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable income tax credit for U.S. citizens who resided in the county of Los Angeles, California, or the state of North Carolina up until the Los Angeles wildfires of 2025 or Hurricane Helene of 2024 and who moved to this state due to either of those disasters. The amount of the credit is \$10,000 and the credit is effective for tax year 2025, only. No person who has been convicted of a felony may claim the credit.

Based on U.S. migration data compiled by the IRS using returns from 2021 and 2022, there were 406 households from Los Angeles County, California in 2021 who filed in Wisconsin in 2022. Similarly, there were 1,005 households from North Carolina in 2021 who filed in Wisconsin in 2022. Of the part-year returns filed in Wisconsin for 2022, the average net tax liability (capped at \$10,000) was \$1,304. Using 2022 as a proxy, if those 1,411 households were to claim an average credit of \$1,304, it would have reduced revenue by approximately \$1.8 million in fiscal year 2023.

The one-time impact of this bill will primarily fall in fiscal year 2026. To the extent that the number of households moving to Wisconsin from Los Angeles County and from North Carolina in 2024/2025 is larger or the average tax liability of movers is larger than in 2022, the fiscal effect will also be larger.

The American Rescue Plan Act (ARPA) prohibits states from using state fiscal recovery funds (SLFRF) to either directly or indirectly offset reduction in net tax revenue. This bill reduces the margin for tax reductions determined by DOA before triggering potential SLFRF recoupment.

**Long-Range Fiscal Implications** 

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## Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

$\boxtimes$	Original Updated		Corrected		Supplemental			
LF	RB Number 25-1767/1		Introduction Num	ber	AB-0139			
	Description							
I	ax credit for relocating to this state due							
	ne-time Costs or Revenue Impacts nualized fiscal effect):	tor State	e and/or Local Governmer	nt (do n	ot include in			
	amidanzed nocal enecty.							
II. Annualized Costs:				cal Imp	pact on funds from:			
			Increased Costs		Decreased Costs			
<u></u>	State Costs by Category		ф		<u></u>			
-	State Operations - Salaries and Fringe	es	\$		\$.			
1	FTE Position Changes)							
	State Operations - Other Costs		and an institute the state of the least of the contract of the least of the least of the least of the contract of the least of the leas		lles til Elous perkenne fotter kunde til stårt for til her en elektrication fotte fotte fotte fotte fotte fott			
	Local Assistance		COMMISSION OF THE COMMISSION O					
'	Aids to Individuals or Organizations	n tanana an atamin'i kaominina dia kaominina dia kaominina dia	٨	egyppi jakki jäleje kondisentisentiel isi onimise	<u> </u>			
	TOTAL State Costs by Category		\$		\$			
B.	State Costs by Source of Funds							
	GPR							
F	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	e fee, ets.		1	ann de spira en com e constituit de la companya de			
L,			Increased Rev		Decreased Rev			
	GPR Taxes		\$		\$			
	GPR Earned							
	FED							
1	PRO/PRS							
	SEG/SEG-S							
Ш	TOTAL State Revenues	gracina, entrenderational automate blocken area	\$		\$ 			
NET ANNUALIZED FISCAL IMPACT								
		<u>State</u>	<u>Loca</u>					
NET CHANGE IN COSTS		\$	\$					
NET CHANGE IN REVENUE			\$See Text	<u></u>	\$			
Ag	ency/Prepared By	thorized Signature		Date				
DC	DR/ Bradley Caruth (608) 261-8984	Mi	ichael Oakleaf (608) 261-5173 3/18/2025					