

## Fiscal Estimate - 2025 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>25-2140/1</b>	<b>Introduction Number</b> <b>AB-0064</b>
<b>Description</b> an income tax subtraction for certain expenses paid by a school teacher	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap; padding: 5px;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate     <input type="checkbox"/> Increase Existing Appropriations     <input type="checkbox"/> Decrease Existing Appropriations     <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget     <input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap; padding: 5px;"><div style="width: 33%;"><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</div><div style="width: 33%;"><b>5. Types of Local Government Units Affected</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>	

## Fiscal Estimate Narratives

DOR 3/7/2025

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<b>Description</b> an income tax subtraction for certain expenses paid by a school teacher					

### Assumptions Used in Arriving at Fiscal Estimate

Under current federal law, an eligible educator can deduct up to \$300 of unreimbursed business expenses for classroom materials, such as books, supplies, computers or other equipment that the eligible educator uses in the classroom. An eligible educator is a person who is a kindergarten through grade 12 teacher, instructor, counselor, principal or aide for at least 900 hours a school year in a school that provides elementary or secondary education as determined under state law.

Under current Wisconsin law, the federal deduction is also allowed for state tax purposes.

Beginning in tax year 2025, this bill creates an additional \$300 deduction for educator expenses for state purposes. Based on a simulation using tax year 2021 returns, adjusted for changes in income, DOR expects the bill to reduce revenue by approximately \$790,000 annually beginning in fiscal year 2026.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

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 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> 25-2140/1	<b>Introduction Number</b> AB-0064	
<b>Description</b> an income tax subtraction for certain expenses paid by a school teacher		
<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	\$	\$-790,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-790,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-790,000	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	3/7/2025