



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #682

Farmland Preservation Tax Credit Reestimate (Shared Revenue and Tax Relief -- Property Tax Credits)

[LFB 2005-07 Budget Summary: Page 450, #5]

CURRENT LAW

The adjusted base level funding is \$15,300,000 GPR for the farmland preservation tax credit. In 2003-04, farmland preservation tax credit claims totaled \$14,473,000.

GOVERNOR

Decrease funding by \$1,400,000 GPR in 2005-06 and \$900,000 GPR in 2006-07 to reflect changes in income, property taxes, and program participation under current law provisions. Total credit claims of \$13,900,000 GPR in 2005-06 and \$14,400,000 GPR in 2006-07 are estimated.

Because the Committee is scheduled to act on this issue before it acts on the Governor's proposals related to local government fiscal controls and school aid funding, the estimated funding does not reflect the effect of those proposals. Under the bill, funding decreases of \$300,000 GPR in 2005-06 and \$800,000 GPR in 2006-07 are estimated as a result of those provisions, and total payments of \$13,600,000 GPR in both 2005-06 and 2006-07 are estimated.

MODIFICATION

Decrease funding from the base year amount by \$900,000 GPR in 2005-06 and \$1,000,000 GPR in 2006-07 to reflect changes in income, property taxes, and program participation under current law provisions. Estimate total aid payments, prior to any adjustment for local government fiscal controls and school aid funding, of \$14,400,000 GPR in 2005-06 and \$14,300,000 GPR in 2006-07.

Explanation: Relative to the amounts estimated by DOA, the reestimates are \$500,000 higher in 2005-06 and \$100,000 lower in 2006-07. The increase in 2005-06 is primarily due to lower estimated household income while the decrease in 2006-07 is primarily due to lower estimated property taxes. The estimates under this modification will need to be revised based on the Committee's decisions regarding local fiscal government controls and school aid funding.

<u>Modification</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	\$400,000

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