



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #708

### **Farmland Preservation Credit -- Current Law Reestimate (Shared Revenue and Tax Relief -- Property Tax Credits)**

[LFB 2009-11 Budget Summary: Page 573, #7]

#### **CURRENT LAW**

The adjusted base level funding is \$12,700,000 GPR for the farmland preservation tax credit. In 2007-08, farmland preservation tax credit claims totaled \$11,984,000.

#### **GOVERNOR**

Provide a decrease of \$100,000 GPR in 2009-10 and an increase of \$400,000 GPR in 2010-11 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium under current law. Total funding for the current law credit would decrease to \$12,600,000 GPR in 2009-10 and then increase to \$13,100,000 GPR in 2010-11.

#### **MODIFICATION**

Decrease the funding for the current law farmland preservation credit, compared to the bill, by \$200,000 GPR in both 2009-10 and 2010-11. These reestimates are for current law and are separate from the bill provision that would delete the current credit for nonagreement holders, effective in tax year 2010, and replace it with a revised credit (these proposed changes will be discussed in a separate Legislative Fiscal Bureau paper). Estimate total credit payments under current law of \$12,400,000 GPR in 2009-10 and \$12,900,000 GPR in 2010-11.

**Explanation:** The reestimated cost of the credit reflects changes in claimant income, property taxes, and program participation under current law provisions. In addition, this reestimate takes into account the local government fiscal controls and local aid funding (including school aids) under the bill. The estimates under this modification may need to be revised based on the Committee's decisions regarding local fiscal controls and local aid funding.

<b>Change to Bill</b>	
Funding	
GPR	- \$400,000

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