



Legislative Fiscal Bureau

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May 14, 2015

Joint Committee on Finance

Paper #596

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

[LFB 2015-17 Budget Summary: Page 405, #4]

CURRENT LAW

The adjusted base level funding for the homestead tax credit is \$118,210,000 GPR. In 2013-14, homestead tax credit claims totaled \$117,960,000.

GOVERNOR

Decrease funding by \$3,610,000 GPR in 2015-16 and \$5,210,000 GPR in 2016-17 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. With these adjustments, estimated total funding would decrease from the adjusted base level to \$114,600,000 in 2015-16 and \$113,000,000 in 2016-17.

MODIFICATION

Decrease funding by \$2,100,000 GPR in 2015-16 and \$1,100,000 GPR in 2016-17 to reestimate the sum sufficient appropriation at \$112,500,000 GPR in 2015-16 and \$111,900,000 GPR in 2016-17 to reflect a projected decline in the current year credit and anticipated changes in income, property taxes, and program participation.

Explanation: Relative to the amounts estimated under Assembly Bill 21/Senate Bill 21, the reestimated amounts are \$2,100,000 lower in 2015-16 and \$1,100,000 lower in 2016-17. Because credit claim amounts processed by the Department of Revenue for 2014-15 are less than would be expected to date, total credits in 2014-15 are now projected to be \$2,400,000 below this office's January, 2015, reestimated credit amount of \$116,000,000. Carrying the lower, projected base year amount forward, in conjunction with projected changes in

property taxes in the biennium, will lower overall credit amounts compared to the bill in 2015-16 and, to a lesser extent, in 2016-17.

Change to Bill	
GPR	- \$3,200,000

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