



Legislative Fiscal Bureau

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TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Federal Tax Law Changes in the Consolidated Appropriations Act of 2021

State individual income tax and corporate income/franchise tax provisions regarding the amount of income subject to taxation are generally referenced to definitions under federal law. With limited exceptions, changes to federal law take effect for state tax purposes only after action by the Legislature. The Legislature typically reviews the previous year's federal law changes each year to update state references to the federal Internal Revenue Code (IRC). Under current law, state tax references generally refer to the code in effect on December 31, 2017.

State references to federal law provide greater simplicity for taxpayers in preparing returns and reduce the administrative burden and cost for both taxpayers and the Department of Revenue (DOR) in assuring compliance with tax laws. The IRC references are used to determine which items of income are subject to taxation prior to specific state modifications. The state uses separate tax rates and brackets and separate provisions regarding standard deductions, personal exemptions, itemized deductions, net operating loss, tax credits, excise taxes, and subtractions after the computation of federal adjusted gross income (AGI). Therefore, changes to these federal provisions typically have no effect for state tax purposes.

On December 27, 2020, President Trump signed P.L. 116-260, the federal Consolidated Appropriations Act of 2021 (CAA), into law. The Act authorized \$1.4 trillion to fund the federal government through federal fiscal year 2021 and included an additional \$900 billion in supplemental stimulus to offset the economic impacts of the COVID-19 pandemic in the form of forgivable loans under the payroll protection program (PPP), stimulus rebates for individuals with AGI below certain thresholds, expanded unemployment benefits, and additional funding for states for education, transportation, and COVID-19 mitigation. In addition, a number of provisions of the Act modify federal tax laws that Wisconsin could adopt for state income and franchise tax purposes.

Certain provisions in the CAA are automatically adopted for state tax purposes, while other

provisions would require legislative approval. A number of the provisions of the CAA amend federal tax credits, excise taxes, treatment of losses, or deductions after the calculation of AGI, adoption of which would not affect the calculation of Wisconsin AGI. Several provisions in the CAA extend or expand upon provisions previously enacted under P.L. 115-97, the Tax Cuts and Jobs Act of 2017 (TCJA), and P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES). Wisconsin adopted most tax-related CARES provisions under 2019 Act 185 and certain provisions of the TCJA under 2017 Act 231. Provisions of the CAA that amend the TCJA provisions which the Legislature previously chose not to adopt are not described below.

The following sections provide a preliminary description of the federal tax provisions of the CAA based on materials currently available, how they relate to Wisconsin tax law, and the estimated fiscal effect of adopting the provisions for state tax purposes for state fiscal years 2020-21 through 2023-24. This memorandum was prepared based on the language in the Act and federal fiscal estimates published by the Joint Committee on Taxation, a nonpartisan committee of the U.S. Congress, on December 28, 2020, and information provided by the DOR. Subsequent guidance from the U.S. Treasury may alter how the Internal Revenue Service and the state would administer the provisions described below. The fiscal estimates in this memorandum and the description of each provision were prepared in consultation with DOR.

PROVISIONS AUTOMATICALLY ADOPTED

Energy Efficient Commercial Building Deduction and Energy. The deduction for energy efficient commercial buildings allows owners of renovated or newly-constructed buildings that install certain property that reduces energy consumption and power costs (such as roof and wall insulation) to deduct up to \$1.80 per square foot of the building's floor area. The deduction was set to expire at the end of 2020, but the CAA made it permanent and adjusts the deduction for inflation. It is estimated that state adoption of this provision will reduce income and franchise tax revenues by a minimal amount in 2020-21 and by \$400,000 annually beginning in 2021-22.

Minimum Age for Distributions during Working Retirement. Federal law does not prohibit a trust forming part of a pension plan from being treated as a qualified trust simply because such a plan allows participants who have attained the age of 59 ½ years to take a distribution while remaining employed. The CAA provides that this minimum age of attainment is lowered to 55 for certain employees in the building and construction industry, provided the plan and the associated trust meet certain federal requirements. State adoption of this provision is estimated to increase state revenues by a minimal amount beginning in 2020-21.

Partial Plan Termination. In order for a trust to be considered a qualified trust under federal law, a plan which includes such a trust must provide that, upon partial termination of the plan, the rights of all affected employees to benefits accrued to the date of partial termination are non-forfeitable. The CAA provides that a plan shall not be treated as having a partial termination during any plan year which includes the period beginning March 13, 2020, and ending March 31, 2021, provided the number of active plan participants as of March 31, 2021, is at least 80% of the number of active plan participants as of March 13, 2020. State adoption of this provision is estimated to reduce state revenues by a minimal amount beginning in 2020-21.

Educator Expense Deduction. Federal law provides a deduction for up to \$250 of qualified expenses incurred by eligible elementary and secondary school teachers. The CAA clarifies that, for purposes of the deduction, a qualified expense includes the purchase of personal protective equipment, disinfectant, and other supplies used for the prevention of the spread of COVID-19. This treatment applies to qualified expenses incurred after March 12, 2020. It is estimated that state adoption of this provision would reduce individual income tax revenues by a minimal amount.

Application of Special Withdrawal Rules to Money Purchase Pension Plans. CARES provided for penalty-free withdrawals from certain retirement plans in calendar year 2020 for expenses related to the COVID-19 pandemic, including that taxpayers could recontribute withdrawn funds or pay the associated tax over three years. The CARES provision was automatically adopted for state tax purposes. The CAA clarifies that these provisions also apply retroactively to withdrawals from money purchase pension plans as of the date of enactment of CARES [March 27, 2020]. It is estimated that state adoption of this provision will reduce income and franchise tax revenues by \$400,000 in 2020-21, \$100,000 in 2021-22, and a minimal amount annually thereafter.

PROVISIONS THAT WOULD REQUIRE LEGISLATIVE ACTION

Volunteer Firefighters and Emergency Medical Responders. For tax year 2020, federal law allows an exclusion from gross income for any "qualified state and local tax benefit" or any "qualified payment" received by an individual for services performed as a member of a qualified emergency medical response organization. A qualified state and local tax benefit refers to a reduction or rebate of real or personal property taxes or income taxes provided by the state or locality. A qualified payment cannot exceed \$50 per month that an individual serves as a member of a qualified emergency medical response organization (or \$600 per tax year). The CAA makes this exclusion permanent, beginning in tax year 2021. State adoption of this provision would reduce individual income tax revenues by an estimated \$200,000 in 2020-21, \$400,000 in 2021-22, and \$500,000 annually thereafter.

Exclusion for Certain Employer Payments of Student Loans. Under current law, a debt paid by an employer on a taxpayer's behalf is generally considered income to that taxpayer. Certain exclusions from such income apply, such as for up to \$5,250 of qualified educational expenses paid by an employer on behalf of an employee. For payments made after the day of the CARES enactment and before January 1, 2021, federal law expanded this exclusion to include payments of student loan principal and interest made by an employer on behalf of an employee. However, an employee could not deduct loan interest for payments made by the employer. Wisconsin adopted this provision under 2019 Act 185.

Under the CAA, the limitation on the CARES exclusion remains the same, such that the limitation of \$5,250 applies to all combined payments of student loan debt and qualified educational expenses, except that the CAA extends the exclusion through December 31, 2025. It is estimated that state adoption of this provision would decrease income and franchise tax collections by \$1,900,000 in 2020-21, \$3,500,000 in 2021-22, \$4,000,000 in 2022-23, and \$4,200,000 in 2023-24.

Health Care Flexible Spending Arrangements (FSA). Under current law, a taxpayer can deduct amounts contributed to a health care FSA or dependent care FSA from taxable income, subject to annual contribution limits. Also under current law, a "cafeteria plan" is one that meets certain federal requirements and provides participants with certain benefits on a pretax basis. The CAA provides that, for plan years 2020 and 2021, an FSA shall not fail to be treated as a cafeteria plan under federal law solely because such a plan allows participants to carry over any unused benefits or contributions in the account to plan year 2021 (and 2022). Moreover, the FSA shall not fail to be treated as a cafeteria plan merely because such a plan allows persons who chose to end their participation in the plan in 2020 (or 2021) to continue receiving reimbursements of unused benefits or contributions through the end of 2021 (or 2022) as described above. Lastly, the FSA shall not fail to be treated as a cafeteria plan solely because it allows participants to prospectively modify the amount they wish to contribute to the plan for plan year 2021.

If Wisconsin does not adopt this provision, an individual could not deduct, for state tax purposes, contributions to a health or dependent care FSA that allows a participant to: (a) roll over unused contributions to the following plan year; (b) continue receiving reimbursements of unused amounts after leaving the program; or (c) modify their contribution amount on a prospective basis. Because FSA plans are subject to annual contribution limits, the rollover of unused amounts by a taxpayer to subsequent plan years reduces the amount which can be newly contributed for that plan year under current federal law. Therefore, it is estimated that state adoption of this provision would increase individual income tax revenues by \$200,000 in 2021-22 and by \$100,000 in 2022-23.

Production Period for Beer, Wine, and Distilled Spirits for Purposes of Capitalizing Interest. Taxpayers are required to capitalize interest paid or accrued during the production period of certain property they produce. This includes the aging period for property that is customarily aged before being sold. The Tax Cuts and Jobs Act of 2017 (TCJA) excluded the aging period of beer, wine, and distilled spirits for purposes of the interest calculation for interest costs paid or accrued in calendar years 2018 and 2019. The CAA makes the exclusion permanent. It is estimated that adopting similar treatment under state law would decrease revenues by \$0.1 million annually beginning in 2020-21.

Minimum Rate of Interest for Certain Determinations Related to Life Insurance Contracts. Federal law provides for certain requirements that determine whether a contract is taxed as a life insurance contract, including actuarial tests imposing limits on the amount of premiums paid and the cash value that accumulates compared to the death benefit. For contracts issued after December 31, 2020, the CAA: (a) modifies the minimum rate for the cash value accumulation test (which requires additional death benefits relative to the policy value) from 4% to the lesser of 4% or the insurance interest rate in effect at the time the contract is issued; and (b) modifies the minimum rate for guideline premium test (which limits premiums paid compared to the death benefit) from 6% to the applicable accumulation test rate plus 2%. This allows the minimum rates to change over time with market interest rates. State adoption of this provision would decrease income and franchise tax collections by an estimated minimal amount in 2020-21, \$100,000 in 2021-22, \$400,000 in 2022-23, and by \$700,000 in 2023-24.

Suspension of Limitation on Certain Charitable Contributions. Federal law generally provides that an individual may deduct qualified charitable contributions equaling up to 50% of the taxpayer's federal AGI in that tax year (or 60% for cash contributions made between tax years 2018 and 2025). CARES permitted the deduction for qualified charitable contributions made in calendar year 2020 for up to 100% of the taxpayer's federal AGI. Any amounts exceeding the taxpayer's federal AGI may be carried over to the next five taxable years.

For qualified contributions, CARES increased the limitation on the deduction for charitable contributions by corporate taxpayers from 10% of taxable income to 25%. Any amounts exceeding this limit may be carried over to the next five taxable years. Similar to current law, the current year contribution is deducted first with carryover contributions applied in chronological order. "Qualified contribution," as defined under CARES, means any charitable contribution if paid in cash during calendar year 2020 and that the taxpayer elects to treat the contribution as a qualified contribution, but does not include contributions to tax exempt organizations that are organized under section 509(a)(3) of the IRC to establish a new, or maintain a preexisting, donor advised fund.

Wisconsin previously adopted the aforementioned provisions in 2019 Act 185. The CAA extends the same treatment described above to tax year 2021. As a result, if adopted, the provision is estimated to reduce state income and franchise tax revenues by \$3,600,000 in 2020-21 and \$13,500,000 in 2021-22. However, income and franchise tax revenues are expected to increase by \$3,800,000 in 2022-23 and \$5,100,000 in 2023-24 because increasing the limitation on the deduction in 2021 will reduce the amount that would otherwise carry forward to be used over the next five years.

Medical Expense Deduction Floor. Federal law allows taxpayers to deduct certain medical and dental expenses which exceed 10% of their federal AGI, except that this limitation is reduced to 7.5% of federal AGI through tax year 2020. The CAA provides that this reduction in the medical expense deduction floor is made permanent, beginning in tax year 2021.

Wisconsin provides an itemized deduction credit under current law equal to 5% of the amount by which certain federal itemized deductions (including the medical expenses deduction described above) exceeds the taxpayer's sliding scale standard deduction. Without adoption, the allowable amount of the medical expense deduction for purposes of the credit would revert back to only those expenses which exceed 10% of federal AGI. Adopting this provision would increase the amount of itemized deduction credits that taxpayers could claim beginning in tax year 2021, relative to current law. Therefore, it is estimated that state adoption of this provision would reduce individual income tax collections by \$5,100,000 on an annual basis, beginning in 2021-22.

Casualty Losses in Qualified Disaster Areas. The state itemized deduction credit (described in the preceding section) also includes federally-allowed casualty losses. The CAA increases the minimum amount of a casualty loss due to a qualified disaster that may be claimed for federal tax purposes from greater than \$100 to greater than \$500. The CAA removes the requirement that the loss exceed 10% of federal AGI (effectively increasing the deduction for eligible filers) and allows the loss to be claimed either as an itemized deduction or as an increase in the standard deduction. Adopting the provision would reduce state tax collections by an estimated \$400,000 in 2020-21,

\$200,000 in 2021-22, and \$100,000 in 2022-23.

Qualified Disaster Relief Contributions. Under state and federal law, pursuant to CARES and 2019 Act 185, for qualified contributions, the limitation on the deduction for charitable contributions by corporate taxpayers is increased from 10% of taxable income to 25% for qualified charitable contributions made in 2020. Any amounts exceeding this limit may be carried over to the next five taxable years. The current year contribution is deducted first with carryover contributions applied in chronological order. The CAA provides that this limit is increased from 25% of taxable income to 100% for certain qualified contributions made for relief efforts in qualified disaster areas that are paid on or after January 1, 2020, and before 60 days after the enactment of the CAA [February 25, 2021]. The provision is estimated to reduce state income and franchise tax revenues by \$700,000 in 2020-21 and by a minimal amount in 2021-22. However, income and franchise tax revenues are expected to increase by \$200,000 in 2022-23 and by \$100,000 in 2023-24 because increasing the limitation on the deduction in 2021 would reduce the amount that would otherwise carry forward to be used over the next five years.

Special Rules for Use of Retirement Funds. In general, federal law imposes a 10% additional tax penalty on the amount of an early withdrawal (one made before the individual reaches a federally specified age) from certain qualified retirement accounts. State law provides that taxpayers taking early withdrawals must pay a state penalty of 33% of the amount of the federal penalty. The CAA specifies that the federal tax penalty does not apply to any qualified disaster distribution.

A qualified disaster distribution is defined under the CAA as a distribution from an eligible retirement plan made: (a) on or after the first day of the incident period of a qualified disaster, and before June 25, 2021; and (b) to an individual whose principal dwelling is in the qualified disaster area and who has sustained an economic loss by reason of such disaster. The qualified disaster distribution cannot exceed \$100,000 per individual per qualified disaster.

Any individual who receives a qualified disaster distribution may, within three years of initial distribution, make contributions to an eligible retirement plan up to the amount initially distributed. Provided such repayments meet certain federal requirements, the amounts initially distributed would be excluded from gross income. When qualified disaster distributions are not recontributed in this manner, the CAA provides that the distribution be included in gross income over a three-year period.

The CAA provides similar repayment provisions as described above to taxpayers who took a qualified distribution from an eligible retirement plan to purchase or construct a principal residence, but were unable to use the distribution due to the qualified disaster. The qualified distribution must be received between 180 days prior to the first day of the incident period of the qualified disaster, and 30 days after the last day of the incident period.

Federal law treats loans from qualified employer retirement plans as distributions includible in gross income. However, up to \$50,000 of such loans are not required to be treated as distributions. The CAA increases this limitation to \$100,000. Moreover, the CAA delays the due date for repayment of such loans by one year for qualified individuals whose loan becomes due between the

first day of the incident period and 180 days after the last day of the incident period of a qualified disaster. This provision applies for loans made during the 180-day period beginning on the date of enactment of the CAA. A qualified individual is one whose principal dwelling is in the qualified disaster area and who has sustained an economic loss by reason of such disaster. State adoption of these provisions is estimated to reduce individual income tax revenues by \$300,000 in 2020-21 and \$200,000 in 2021-22.

Emergency Financial Aid Grants. The CAA stipulates that a qualified emergency financial aid grant is not included in gross income. A qualified emergency financial aid grant is one that: (a) is disbursed by an institution of higher education pursuant to various provisions in CARES; (b) is made using monies provided under CARES; or (c) is any other emergency financial aid grant made to students enrolled in institutions of higher education in response to a qualifying emergency, as defined in CARES. The CAA also provides that the amount of a federal American Opportunity Credit or Lifetime Learning Credit shall not be reduced by any qualified emergency financial aid grant received. If adopted, the provision is estimated to reduce individual income tax revenues by \$100,000 in 2020-21 and 2021-22.

Election to Terminate Transfer Period for Qualified Transfers from Pension Plan for Covering Future Retiree Costs. Federal law allows for certain qualified future transfers of up to 10 years of certain retiree costs from a company's pension plan to a retiree health benefit account or life insurance account within the pension plan. The CAA allows an employer, on or before December 31, 2021, to elect to terminate the transfer period with respect to such a transfer if certain conditions are met, including that the unused assets transferred to the health benefits or life insurance account must be transferred back to the pension and the employer must ensure that the plan stays at least 100% funded throughout the original transfer period. Any amounts transferred back to the pension plan are treated as a taxable employer reversion, unless an equivalent amount is transferred back to the health benefit or life insurance account prior to the end of the five-year period beginning after the original transfer. It is estimated that state adoption of this provision would increase income and franchise tax collections by \$300,000 in 2020-21 and 2021-22 and by \$200,000 in 2022-23 and 2023-24.

Shortened Alternative Depreciation Cost Recovery Period for Residential Rental Property. The TCJA limited the deduction for business interest to the sum of: (a) business interest income; (b) 30% of the taxpayer's adjusted taxable income; and (c) floor plan financing interest of the taxpayer for the taxable year. Under certain circumstances, the TCJA allowed a real property trade or business to elect out of the limitation. However, when making the election, the business is required to use a longer cost recovery period under the alternative depreciation system for residential rental property. The TCJA shortened this recovery period from 40 years to 30 years, but only did so for property acquired or placed into service in or after 2018. The CAA retroactively extends the availability of the shortened recover period to all residential rental property, regardless of when acquired or placed into service.

Retroactively adopting the 30-year recovery period under the alternative depreciation system for residential rental property would reduce revenues by an estimated \$6,000,000 in 2020-21, \$4,900,000 in 2021-22, \$1,900,000 in 2022-23, and \$1,200,000 in 2023-24.

Earned Income Tax Credit (EITC). The CAA modifies the federal EITC and the refundable component of the child tax credit as follows. For EITC and child tax credit claims filed for tax year 2020, the CAA allows a taxpayer to use their earned income from the prior taxable year when determining their credit amount, provided their earned income in 2020 is lower than in the preceding year.

Refundable credits are recorded as GPR expenditures, rather than as a reduction in state tax revenues. Therefore, adopting this provision is estimated to increase GPR expenditures by \$30,600,000 in 2020-21. Because the provision only applies to EITC claims filed for tax year 2020, a minimal increase in GPR expenditures is estimated in 2021-22 and thereafter.

Tax Treatment of Certain Loan Forgiveness and Other Business Financial Assistance. For the following programs, the CAA provided that loan forgiveness and other financial assistance are not considered income for federal tax purposes and that no deductions paid via the proceeds of these programs should be denied. Further, the CAA provided that distributions to owners of pass-through entities, such as partnerships and tax-option (S) corporations, are tax neutral in that the forgiveness of indebtedness and other financial assistance is treated as an increase in a partner's or shareholder's basis in the ownership interest of a partnership or tax-option (S) corporation.

It is estimated that adopting these provisions would reduce state revenue collections by \$232,000,000 in 2020-21, \$164,000,000 in 2021-22, \$48,000,000 in 2022-23, and \$13,000,000 in 2023-24.

Paycheck Protection Program (PPP). As created under CARES, the PPP provided forgivable loans to certain businesses, and non-profits, having less than 500 employees. PPP loans were available under the Small Business Administration's (SBA) Section 7(a) loan program through August 8, 2020, and could be used to cover various business expenses, including payroll and rent payments. As long as certain loan conditions were met, PPP loan recipients could qualify for loan forgiveness. Prior to the CAA, both state and federal law provided that forgiven PPP loan amounts were not considered taxable income for income and franchise tax purposes; however, business expenses paid with forgiven PPP loan proceeds could not be included as a deductible business expense.

The CAA provided for a second round of PPP loans to businesses having 300 or fewer employees, with certain expansions in eligibility and qualifying expenses compared to the previous round. State law previously conformed to federal law in disallowing deductions for business expenses paid with forgiven PPP loan proceeds so as to avoid providing a double tax benefit on the forgiven loan amounts. However, the CAA later provided that, for purposes of federal law, taxpayers may deduct business expenses paid using forgiven PPP loans for both the first round of PPP loans under CARES and the second round under the CAA.

Under current state law, for the first round of PPP loans under CARES, forgiven amounts are excluded from gross income, but no deductions may be claimed for business expenses paid using those forgiven amounts. By contrast, for the second round of PPP loans, forgiven loans are considered income, but the loan recipient may claim deductions for business expenses (which is

roughly equivalent to the forgiven loan amount, given the eligible expenses for which PPP loans may be used).

Economic Injury Disaster Loan (EIDL) program. CARES made the preexisting EIDL program, which is administered by the SBA, available to certain qualifying small businesses having 500 or fewer employees. EIDL loans were intended to meet financial obligations and expenses of businesses resulting from the economic impacts of the COVID-19 pandemic through December 31, 2020. EIDL loans are generally available at 3.75% interest for businesses (2.75% for non-profits) over 30 years. CARES provided for forgivable advances in the amount of \$1,000 per employee, up to a maximum of \$10,000. The CAA provided additional funding for the EIDL program and extended the availability of advances to certain qualifying small businesses having 300 or fewer employees through December 31, 2021. The CAA specified that forgivable EIDL advances are not taxable and recipients may claim deductions on any business expenses paid using EIDL advance proceeds. The CAA also repealed the requirement for PPP loan recipients to reduce the amount of their loan forgiveness by the amount of EIDL advance they received.

Payment Assistance for Certain Loan Payments. CARES required the SBA to make payments of interest, principal, and fees owed by borrowers for certain preexisting loans (including Section 7(a), Section 504, and Microloan programs) for a six-month period. The amounts paid by the SBA are forgiven and borrowers are not required to repay the SBA. The CAA specifies that these federal subsidies are not included in income for federal tax purposes and that deductions for expenses paid with these proceeds are allowed.

Grants to Shuttered Venue Operators. The CAA provides a new grant program for live venue operators, talent representatives, movie theaters, and museums that were fully operational on February 29, 2020 and experienced a revenue reduction of at least 25% in one quarter of 2020 compared to 2019. The CAA specifies that the grants are not included in income for federal tax purposes and that deductions for expenses paid with these proceeds are allowed.

FISCAL EFFECT

The following table summarizes the estimated impact on state revenues if Wisconsin adopted all of the provisions of the CAA described above. The five provisions that are automatically adopted under state law are estimated to decrease income and franchise tax revenues by \$400,000 in 2020-21, \$500,000 in 2021-22, and \$400,000 in 2022-23 and 2023-24. State adoption of the 15 provisions of the CAA described above that would require legislative approval would: (a) reduce state tax revenues by an estimated \$245,000,000 in 2020-21, \$191,600,000 in 2021-22, \$55,800,000 in 2022-23, and \$19,400,000 in 2023-24; and (b) increase GPR expenditures by an estimated \$30,600,000 in 2020-21.

TABLE

**Estimated State Fiscal Effects of Adopting Federal Tax Provisions in the Consolidated
Appropriations Act of 2021
(Millions)**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>Source</u>
Provisions Automatically Adopted					
Energy Efficient Building Deduction	Minimal	-\$0.4	-\$0.4	-\$0.4	GPR-Tax
Working Retirement Distribution	Minimal	Minimal	Minimal	Minimal	GPR-Tax
Partial Plan Termination	Minimal	Minimal	Minimal	Minimal	GPR-Tax
Educator Expense Deduction	Minimal	Minimal	Minimal	Minimal	GPR-Tax
Withdrawal from Money Purchase Plan	<u>-\$0.4</u>	<u>-0.1</u>	<u>Minimal</u>	<u>Minimal</u>	GPR-Tax
Total:	-\$0.4	-\$0.5	-\$0.4	-\$0.4	GPR-Tax
Provisions That Would Require Legislative Action					
Volunteer Firefighter/EMT	-\$0.2	-\$0.4	-\$0.5	-\$0.5	GPR-Tax
Employer Paid Student Loans	-1.9	-3.5	-4.0	-4.2	GPR-Tax
Health and Dependent Care FSA	Minimal	0.2	0.1	Minimal	GPR-Tax
Capitalizing Interest - Alcohol Production	-0.1	-0.1	-0.1	-0.1	GPR-Tax
Minimum Rate of Interest for Life Insurance	Minimal	-0.1	-0.4	-0.7	GPR-Tax
Increase Charitable Deduction Limit	-3.6	-13.5	3.8	5.1	GPR-Tax
Medical Expense Deduction	Minimal	-5.1	-5.1	-5.1	GPR-Tax
Disaster - Casualty Losses	-0.4	-0.2	-0.1	Minimal	GPR-Tax
Disaster - Charitable Contributions	-0.7	Minimal	0.2	0.1	GPR-Tax
Special Rules for Retirement Funds	-0.3	-0.2	Minimal	Minimal	GPR-Tax
Emergency Financial Aid Grants	-0.1	-0.1	Minimal	Minimal	GPR-Tax
Terminate Transfers from Pension Plan	0.3	0.3	0.2	0.2	GPR-Tax
Rental Property Depreciation	-6.0	-4.9	-1.9	-1.2	GPR-Tax
EITC for Tax Year 2020	30.6	Minimal	Minimal	Minimal	GPR
PPP Loans and Other Business Assistance	<u>-232.0</u>	<u>-164.0</u>	<u>-48.0</u>	<u>-13.0</u>	GPR-Tax
Total GPR-Tax:	-\$245.0	-\$191.6	-\$55.8	-\$19.4	GPR-Tax
Total GPR:	\$30.6	Minimal	Minimal	Minimal	GPR
Total Impact to the State General Fund:	-\$276.0	-\$192.1	-\$56.2	-\$19.8	
Total Less Automatically Adopted:	-\$275.6	-\$191.6	-\$55.8	-\$19.4	

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