

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number **21-0102/1** Introduction Number **SB-158**

Description
requiring the Department of Financial Institutions to study and report on establishing a section 529A ABLE savings account program

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
 - Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
- 1. Increase Costs 3. Increase Revenue
- Permissive Mandatory Permissive Mandatory
- 2. Decrease Costs 4. Decrease Revenue
- Permissive Mandatory Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected Affected Ch. 20 Appropriations

GPR FED PRO PRS SEG SEGS 20.144(1)(g)

Agency/Prepared By	Authorized Signature	Date
DFI/ Kortney Anderson (608) 261-9559	Kortney Anderson (608) 261-9559	3/3/2021

Fiscal Estimate Narratives

DFI 3/3/2021

LRB Number 21-0102/1	Introduction Number SB-158	Estimate Type Original
Description requiring the Department of Financial Institutions to study and report on establishing a section 529A ABLÉ savings account program		

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would require the Department of Financial Institutions (DFI) to study this state's options (either on its own or in alliance with one or more states) for establishing a qualified ABLÉ program under section 529A of the Internal Revenue Code. Pursuant to the bill, DFI would research the ABLÉ programs offered by other states or alliances of states, the current use of other states' programs by Wisconsin residents, the potential costs of implementing an ABLÉ program independently or in combination with other states, and legislative changes that may be needed to implement such a program. DFI would further evaluate the impact of implementing such a program upon Wisconsin residents' choice of ABLÉ programs, the tax benefits available to them, and the account fees imposed on them, and then submit written findings and recommendations to the legislature within six months after the bill becomes effective.

To carry out these tasks and make well-informed recommendations to the Legislature, DFI will need the assistance of one or more consultants with expertise and analytical insight into the costs and benefits of ABLÉ programs. DFI may also need to purchase existing data or analysis of ABLÉ programs for its consideration in this process. Based on preliminary inquiries concerning the cost of obtaining these data and analysis, as well as DFI's experience working with an outside consultant for the section 529 college savings program, DFI estimates that it would cost approximately \$50,000 to obtain expert services, data, and analytical materials necessary to carry out this study.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
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Description requiring the Department of Financial Institutions to study and report on establishing a section 529A ABLE savings account program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs	50,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$50,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS (20.144(1)(g))	50,000	
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$50,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
DFI/ Kortney Anderson (608) 261-9559	Kortney Anderson (608) 261-9559	3/3/2021