

Fiscal Estimate Narratives

DOR 9/24/01

LRB Number 01-3797/1	Introduction Number AB-506	Estimate Type Original
Subject		
Internal Revenue Code with technical changes		

Assumptions Used in Arriving at Fiscal Estimate

The bill would update the statutory reference to the Internal Revenue Code, with exceptions, so that federal laws enacted through December 31, 2000, would apply for Wisconsin income tax purposes. Specifically, the bill would adopt:

1) the Community Renewal Tax Relief Act provisions of the Consolidated Appropriations Act [Public Law (P.L.) 106-554], except that deductions for environmental remediation expenses and corporate donations of computer technology would not be adopted for Wisconsin purposes, and

2) the Installment Tax Correction Act (P.L. 106-573).

The bill would not adopt provisions of the Federal Sales Corporation Repeal and Extraterritorial Income Exclusion Act (P.L. 106-519) for Wisconsin purposes.

Federal provisions to which Wisconsin would conform under this bill relate to extension of the medical savings account program, tax benefits with respect to kidnapped children, individual retirement accounts for nonworking spouses, the federal renewal communities and empowerment zone programs, the basis of stock received in tax-free exchanges, securities futures contracts, and use of the installment method by accrual method taxpayers. Provisions requiring taxpayers to reduce the basis of stock in certain tax-free exchanges would increase tax revenues by \$100,000 annually. Other provisions would have a limited fiscal effect.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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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			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
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		\$100,000	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$100,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$100,000	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Dennis Collier (608) 266-5773		Brian Pahnke (608) 266-2700	9/21/01