

## Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>01-3984/1</b>	<b>Introduction Number</b> <b>SB-308</b>
<b>Subject</b> Change eligibility to claim the school property tax rent credit	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue              5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DOR/ Meredith Krejny (608) 261-8984	<b>Authorized Signature</b> Brian Pahnke (608) 266-2700
<b>Date</b> 11/14/2001	

## Fiscal Estimate Narratives

DOR 11/14/2001

LRB Number	01-3984/1	Introduction Number	SB-308	Estimate Type	Original
<b>Subject</b>					
Change eligibility to claim the school property tax rent credit					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a filer may claim a school property tax/rent credit for property taxes (or rent constituting property taxes) paid during the taxable year for which the return relates. The credit currently is equal to 12% of the first \$2,500 of property taxes paid (\$1,250 for married separate filers). No credit was available in tax year 1999; in tax year 1998, the credit was equal to 14% of the first \$2,500 (\$1,250 for married couples filing separately) of property taxes; and in tax years beginning before January 1, 1998, the credit was equal to 10% of the first \$2,000 of property taxes paid (\$1,000 for married separate filers).

This bill allows filers to claim the school property tax credit either in one year for property taxes paid in two taxable years (if the claimant does not claim in one year the credit for that year), or for the year to which the property taxes relate if the claimant pays property taxes for two taxable years in one year.

A comparison of school property tax/rent credit claims for tax years 1997 and 1998 indicates that approximately 70,000 filers claimed the credit in only one of those two years. Thus, it is assumed that, on average, 35,000 filers claim the credit in every other year. Allowing these filers to claim the credit for taxes paid in two years would allow these filers to claim an additional \$2.8 million in credits annually. After adjusting for the change in the calculation of the credit that took effect for tax years 2000 and thereafter as a result of 1999 Wisconsin Act 198, the revenue loss is estimated to be \$3.0 million annually.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

LRB Number <b>01-3984/1</b>		Introduction Number <b>SB-308</b>	
<b>Subject</b>			
Change eligibility to claim the school property tax rent credit			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-3,000,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-3,000,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-3,000,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Meredith Krejny (608) 261-8984		Brian Pahnke (608) 266-2700	
		<b>Date</b>	
		11/14/2001	