

Fiscal Estimate Narratives

DOR 3/1/2005

LRB Number	05-0007/1	Introduction Number	AB-125	Estimate Type	Original
Subject					
Changes to dairy investment tax credit					

Assumptions Used in Arriving at Fiscal Estimate

2003 Wisconsin Act 135 created a nonrefundable dairy investment credit for 10% of certain expenditures for modernization and expansion related to the operation of a dairy farm. The credit applies to expenses to construct, improve and acquire buildings or facilities and equipment for dairy animal housing, confinement, feeding, milk production and waste management, if used exclusively related to dairy animals. The term "used exclusively" is not defined. The credit may be claimed for taxable years that begin after December 31, 2003 and before January 1, 2010.

The bill clarifies that the dairy investment credit applies to property and equipment that are acquired and placed in service in Wisconsin during taxable years that begin after December 31, 2003, and before January 1, 2010.

The bill also provides that "used exclusively" means used to the exclusion of all other uses except for other use not exceeding 5% of total use.

These changes have no fiscal effect.

Long-Range Fiscal Implications