

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

LRB Number **05-0009/1**      Introduction Number **SB-281**

**Subject**  
Tax credits for contracting with community rehabilitation programs

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

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

**Local:**

No Local Government Costs  
 Indeterminate

1.  Increase Costs      3.  Increase Revenue      5. Types of Local Government Units Affected

Permissive  Mandatory       Permissive  Mandatory       Towns       Village       Cities  
 Counties       Others  
2.  Decrease Costs      4.  Decrease Revenue       School Districts       WTCS Districts  
 Permissive  Mandatory       Permissive  Mandatory

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS

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**Fiscal Estimate Narratives**  
**DOR 8/26/2005**

LRB Number	05-0009/1	Introduction Number	SB-281	Estimate Type	Original
<b>Subject</b>					
Tax credits for contracting with community rehabilitation programs					

**Assumptions Used in Arriving at Fiscal Estimate**

The bill would create a nonrefundable income and franchise tax credit for 5% of the cost of work provided by a community rehabilitation program to a business. A taxpayer could claim up to \$25,000 of credit per year for each community rehabilitation program for which the taxpayer enters a contract for the program to provide workers for the taxpayer's business.

A community rehabilitation program is a nonprofit entity, county, municipality or federal agency that directly provides or facilitates vocational rehabilitation services to individuals with disabilities to maximize their employment opportunities. Vocational rehabilitation services include education, training, employment, counseling, therapy, placement and case management. Work includes production, packaging, assembly, food service, custodial service, clerical service and other commercial activities that improve employment opportunities for individuals with disabilities.

The amount of expenditures that would be eligible for the credit is not known. However, based on 2004 survey information from Rehabilitation for Wisconsin, Inc., a statewide association for rehabilitation programs, it is estimated that \$57 million of total expenditures would be eligible for credit. As a result, the estimated fiscal effect would be \$2.9 million annually.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>05-0009/1</b>		Introduction Number <b>SB-281</b>	
<b>Subject</b>			
Tax credits for contracting with community rehabilitation programs			
<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, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-2,900,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-2,900,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-2,900,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Pamela Walgren (608) 266-7817		Rebecca Boldt (608) 266-6785	
		<b>Date</b>	
		8/26/2005	