

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

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|-----------------------------|------------------------------------|
| LRB Number 07-1033/6 | Introduction Number AB-0712 |
|-----------------------------|------------------------------------|

Description
This bill prohibits companies who employ illegal aliens from receiving government contracts and other tax exemptions.

Fiscal Effect

State:

| | | |
|---|--|--|
| <input type="checkbox"/> No State Fiscal Effect | <input checked="" type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input checked="" type="checkbox"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Decrease Costs |
| <input type="checkbox"/> Create New Appropriations | | |

Local:

| | | |
|--|--|---|
| <input type="checkbox"/> No Local Government Costs | 3. <input type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected |
| <input checked="" type="checkbox"/> Indeterminate | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| 1. <input type="checkbox"/> Increase Costs | 4. <input type="checkbox"/> Decrease Revenue | |
| 2. <input type="checkbox"/> Decrease Costs | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| <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 |
| | | <input type="checkbox"/> Counties <input type="checkbox"/> Others |
| | | <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |

| | |
|---|---------------------------------------|
| Fund Sources Affected | Affected Ch. 20 Appropriations |
| <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 | |

| | | |
|--|---|--------------------------|
| Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173 | Authorized Signature Rebecca Boldt (608) 266-6785 | Date 2/15/2008 |
|--|---|--------------------------|

Fiscal Estimate Narratives

DOR 2/15/2008

| | | | | | |
|---|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number | 07-1033/6 | Introduction Number | AB-0712 | Estimate Type | Original |
| Description This bill prohibits companies who employ illegal aliens from receiving government contracts and other tax exemptions. | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, any company that hires an illegal alien is, for a period of two years, ineligible to receive any property tax exemption under Chapter 70 or any income or franchise tax credit under Chapter 71. Companies that hire an illegal alien would also be barred for a period of two years from contracting with state agencies or local governments for supplies, services, construction, or repairs, and would be barred from receiving any grants or loans from local governmental units for a period of two years. Additionally, a company that hires an illegal alien would be subject to a fine of \$5,000 for each illegal alien the company hires.

Fiscal Estimate

While denying income and franchise tax credits would in general increase revenue, data is not available to estimate the fiscal effect of this proposal. Any denial of a property tax exemption would result in a property tax shift from other taxpayers to the affected entities. The Department is unable to determine which businesses would hire illegal aliens. As a result, the Department cannot determine the fiscal effect of denying tax credits or property tax exemptions to those businesses for two years.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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| | | | |
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| Description This bill prohibits companies who employ illegal aliens from receiving government contracts and other tax exemptions. | | | |
| 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, ets.) | | | |
| | | Increased Rev | Decreased Rev |
| GPR Taxes | | \$ | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | \$ | \$ |
| NET CHANGE IN REVENUE | | \$See Text | \$See Text |
| Agency/Prepared By | | Authorized Signature | Date |
| DOR/ Michael Oakleaf (608) 261-5173 | | Rebecca Boldt (608) 266-6785 | 2/15/2008 |