## Fiscal Estimate - 2007 Session

	Original		Updated		Corrected		Supplemental	
LRB	Number	07-1383/3	}	Intro	duction Numb	oer S	B-254	
Allowir separa	Description  Allowing an individual income tax deduction for certain amounts contributed by a divorced or legally separated parent to his or her child's college savings account or college tuition and expenses program and limiting the deduction that may be claimed by a married person who files separately							
Fiscal	Effect							
	No State Fisc Indeterminate Increase E Appropriat Decrease Appropriat Create Ne	e Existing tions Existing	Increase E Revenues Decrease E Revenues	Existing	to abso		- May be possible n agency's budget ⊠No s	
□ No Local Government Costs         □ Indeterminate       5. Types of Local         1. □ Increase Costs       3. □ Increase Revenue       Government Units Affected         □ Permissive □ Mandatory       Permissive □ Mandatory       □ Counties □ Others 0         □ Counties □ Others 0       □ School □ WTCS         □ Districts       Districts								
Fund Sources Affected Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS								
Agenc	y/Prepared E	<del>3</del> у	Autho	orized S	ignature		Date	
DOR/ Rebecca Boldt (608) 266-6785 Rebec				cca Boldt (608) 266-6785			8/27/2007	

## Fiscal Estimate Narratives DOR 8/27/2007

LRB Number	07-1383/3	Introduction Number	SB-254	Estimate Type	Original
Description					

Allowing an individual income tax deduction for certain amounts contributed by a divorced or legally separated parent to his or her child's college savings account or college tuition and expenses program and limiting the deduction that may be claimed by a married person who files separately

## **Assumptions Used in Arriving at Fiscal Estimate**

Wisconsin allows for a deduction of \$3,000 from federal adjusted gross income for contributions made to an EdVest account, a college tuition savings program, for each beneficiary if the beneficiary is one of the following: the claimant, the claimant's dependent, the claimant's grandchild, the claimant's great-grandchild, or the claimant's niece or nephew. The bill would allow the deduction when the beneficiary is the claimant's child regardless of whether or not the child is also the claimant's dependent. The proposed bill would limit the deduction to \$1,500 of contributions made to an EdVest account for each beneficiary by married separate filers.

The bill would increase revenue from married separate filers while decreasing revenue from divorced filers. Because the number of divorced and legally separated tax filers contributing money to an EdVest account for their children is unknown, the fiscal effect is indeterminate. The department will incur \$7,500 in LTE costs and \$1,000 in supply costs annually under this proposal.

**Long-Range Fiscal Implications** 

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

	Original		Updated		Corrected		Supplemental		
LRB	Number	07-1383	/3	Intro	duction Nur	nber	SB-254		
separa and lim	ng an individu ated parent to niting the ded	his or her ch duction that ma or Revenue I	nild's college s nay be claimed	savings acco d by a marrie	nounts contribute ount or college to ed person who fi r Local Governi	uition and files sepa	· · · · · · · · · · · · · · · · · · ·		
II. Ann	nualized Cost	its:		<u> </u>	Annualized Fi	scal Imp	act on funds from:		
					Increased Costs		Decreased Costs		
A. Stat	te Costs by (	Category							
State	e Operations	- Salaries an	d Fringes		\$7,500	٥	\$		
(FTE	E Position Cha	anges)							
State	e Operations	- Other Costs	s		1,000	0			
Loca	al Assistance								
Aids	to Individual	ls or Organiza	ations						
TC	OTAL State (	Costs by Cat	legory		\$8,500	ار	\$		
		Source of Fu	ınds						
GPR					8,500	)			
FED									
<del>                                     </del>	)/PRS								
	S/SEG-S								
		s - Complete increase, de			ıl will increase ( ts.)	or decrea	ase state		
					Increased Rev	/	Decreased Rev		
GPR	? Taxes				\$	,	\$		
	REarned								
FED									
	)/PRS								
<del></del>	/SEG-S								
TC	OTAL State F				\$		\$		
		<u> </u>	NET ANNUAL	LIZED FISC	AL IMPACT				
					State		Local		
	NET CHANGE IN COSTS				\$8,500		\$		
NET CH	HANGE IN RI	EVENUE			\$		\$		
Agency	y/Prepared E		1	Authorized	Signature		Date		
DOR/ Rebecca Boldt (608) 266-6785 Reb				Rebecca Bo	becca Boldt (608) 266-6785				