

Fiscal Estimate Narratives
COMM 1/22/2010

LRB Number 09-4115/1	Introduction Number SB-461	Estimate Type Original
Description An income and franchise tax credit for a qualified equity investment in a qualified community development entity, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority		

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, the Department of Commerce would certify for the Wisconsin New Markets Tax Credit claimants who submit documentation from the Internal Revenue Service showing the following:

1. The claimant has made a qualified equity investment in a qualified community development entity (CDE),
2. The CDE's primary mission is serving, or providing investment capital for, low income communities or low income persons in the state, and
3. The claimant is eligible to receive new markets tax credit under federal law.

Commerce must verify the above information, and notify the Department of Revenue of the amount each claimant may claim, and of all certifications and revocations.

Commerce must also promulgate rules including the following:

1. Deadlines for submission of an application for certification.
2. The period of review of applications, which may not exceed 45 days.
3. Criteria for reviewing and prioritizing applications.

Commerce will not be able to accomplish these responsibilities within existing budget authority. The required rule promulgation, processing of tax credit applications, and verifications of all information contained in those applications will require 1.0 FTE position. This position will have the following costs:

Salary \$44,900
Fringe \$20,500
Supplies \$ 8,000

TOTAL \$73,400

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description An income and franchise tax credit for a qualified equity investment in a qualified community development entity, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority			
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	\$65,400	\$
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	8,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$73,400	\$
B. State Costs by Source of Funds			
	GPR	73,400	
	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, etc.)			
		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	\$73,400	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By			
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