

Fiscal Estimate Narratives

DOR 3/4/2011

LRB Number	11-1110/1	Introduction Number	AB-0033	Estimate Type	Original
Description Creating an individual income tax deduction for certain residents of this state who graduate from a college or university					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an individual income tax subtraction for up to \$1,000 of earned income by an individual who is a year-round resident of Wisconsin and who graduates from a regionally accredited college or university. The subtraction may be claimed by an individual only for the first five years following the year in which his or her bachelor's degree is awarded.

Using data from the U.S. Census Bureau, it is estimated that approximately 104,200 Wisconsin residents are within five years of having received a bachelor's degree. Applying the average marginal income tax rate of 5.1%, it is estimated that the bill will reduce revenue by \$5.3 million annually (104,200 x \$1,000 x 5.1%).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1110/1		Introduction Number AB-0033	
Description Creating an individual income tax deduction for certain residents of this state who graduate from a college or university			
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, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$-5,300,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-5,300,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-5,300,000	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	3/4/2011