

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3161/2	Introduction Number AB-0376
Description Authorizing the sale or transfer of tax credits in counties experiencing high rates of unemployment	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <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 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <u>0</u> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input 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 John Koskinen (608) 267-8973
Date 11/22/2011	

Fiscal Estimate Narratives

DOR 11/22/2011

LRB Number	11-3161/2	Introduction Number	AB-0376	Estimate Type	Original
Description Authorizing the sale or transfer of tax credits in counties experiencing high rates of unemployment					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, the Wisconsin Economic Development Corporation may create a program for the sale or transfer of tax credits awarded by the corporation or for credits certified beginning on January 1, 2011 by the former Department of Commerce. The credits may be sold or transferred if the activity for which the credit was awarded is substantially related to economic development in counties experiencing persistent high rates of unemployment.

Up to 85% of a credit may be sold or transferred to another person who has a Wisconsin tax liability. Once a portion of a credit is sold or transferred, the remaining portion of that credit may not be sold or transferred and may not be claimed against tax liability by any person. The person to whom a credit is sold or transferred may carry forward any unused amount of the transferred value for up to 15 years.

The person who is certified to claim the credit must notify the Department of Revenue of the sale or transfer in the manner prescribed by WEDC.

Fiscal Estimate

The bill may over time reduce the amount of revenue that would be lost relative to current law. Because of the provisions of the bill that require that the remaining portion of a credit that is not transferred or sold may not be claimed. In addition, allowing a credit to be sold or transferred would tend to move the fiscal effect of any credits certified into earlier fiscal years than under current law, on the assumption that under current law those credits would not be used to offset tax liability and would instead be carried forward to future tax years.

Because it is unknown which counties in the future would be designated as qualifying counties, and because the Department does not track tax credits by county, the net fiscal effect of the bill cannot be determined.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Authorizing the sale or transfer of tax credits in counties experiencing high rates of unemployment			
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	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
Agency/Prepared By		Authorized Signature	
DOR/ Michael Oakleaf (608) 261-5173		John Koskinen (608) 267-8973	
		Date	
		11/22/2011	