

Fiscal Estimate Narratives

DVA 4/15/2013

LRB Number	13-1740/1	Introduction Number	AB-0114	Estimate Type	Original
Description Creating a veterans-themed lottery game, changing the primary source of funding for the veterans and surviving spouses property tax credit, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) operates a lottery, of which the proceeds must be used for property tax relief for residents of the state. Also, under current law, known as the veterans and surviving spouses' property tax credit a refundable individual income tax credit, in the amount of property taxes paid by a claimant on the principal dwelling in the state, funded by General Purpose Revenue (GPR) sum sufficient appropriation that pays all claims under the program.

The proposed AB 114 requires DOR to offer a lottery game with a veterans theme. Under the bill, refunded veterans and surviving spouses' property tax credits would be paid from the net lottery proceeds of the veterans-themed lottery game created. The GPR sum sufficient appropriation would be used to pay all eligible claims in excess of the net lottery proceeds from the new veterans' game. The bill also transfers an amount equal to the net lottery proceeds of the new game from GPR to the Veterans Trust Fund (VTF).

If enacted, based on a hypothetical analysis by DOR the fiscal effect would be at minimum \$800,000 in net proceeds on an annual basis to the Department of Veterans Affairs VTF appropriation. According to DOR, based on a \$2 veterans-themed scratch game; Wisconsin sales would estimate an average of \$2.9 million annually, assuming net proceeds are 28% of the gross ticket sales.

Long-Range Fiscal Implications

The transfer of GPR will help maintain the solvency to the VTF; that would preclude the need to make reductions in benefits or services to veterans.