

Fiscal Estimate Narratives

WEDC 3/6/2013

LRB Number 13-1470/1	Introduction Number AB-0046	Estimate Type Original
Description Regulation of metallic mining, an occupation tax on iron mining, and making an appropriation		

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, tax revenue collected from the tax on extracting ferrous metallic minerals are deposit into two funds - 70% into the investment and local impact fund and 30% into a Wisconsin diversification program that WEDC would need to establish. The diversification program is for the purpose of making business diversification grants or loans to businesses that are within 100 miles from the site of a ferrous mining operation. The net proceeds occupation tax would go into effect once a new iron mine is fully constructed and reaches a tax liability standing with the State.

As of the time of this estimate, an approximate amount that would be deposited into the economic development fund is indeterminate. Income derived from the iron ore sold in the future is difficult to predict because of the dynamic fluctuations in commodity prices.

Long-Range Fiscal Implications

WEDC currently manages a number of grant and loan programs through its Economic and Community Development and Credit and Risk Divisions, including staffing the area of promotion to businesses, underwriting, compliance and finance. Under the current proposal, WEDC would be able to absorb the costs of the additional program described under this bill; however, this assumes that other bill proposals requiring WEDC absorption are not enacted.