Fiscal Estimate - 2013 Session

☑ Origina		Updated		Corrected		Supplemental	
LRB Numbe	er 13-1899 /1		Introdu	action Numbe	er S	B-099	
Description Adopting federal law as it relates to an income tax deduction for certain educators and creating an individual income tax deduction for educators who use their own funds to purchase classroom educational supplies							
Fiscal Effect							
Indetermi Increa Appro Decre Appro Create	Fiscal Effect nate ise Existing priations ase Existing priations New Appropriation Government Cost		-		b withir Yes	- May be possible agency's budget No	
Indeterminate 1. Increase Costs 3. Increase Revenue Permissive Mandatory 2. Decrease Costs 4. Decrease Revenue Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Village Cities Counties Others Districts							
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS							
Agency/Prepa	red By	Auth	orized Si	gnature		Date	
DOR/ Bradley Caruth (608) 261-8984 John H			Koskinen (608) 267-8973 4/1/2013				

Fiscal Estimate Narratives DOR 4/1/2013

LRB Number 13-1899	/1 Introduction Number	SB-099	Estimate Type	Original
Description Adopting federal law as individual income tax de supplies	it relates to an income tax deducteduction for educators who use the	ion for certain eir own funds t	educators and cre to purchase classr	eating an room educational

Assumptions Used in Arriving at Fiscal Estimate

Current federal law allows a deduction from gross income for up to \$250 of qualified expenses paid by an eligible educator through tax year 2013. Since the Wisconsin definition of the Internal Revenue Code does not allow the deduction for purposes of calculating Wisconsin state income tax, claimants will need to add this deduction back for Wisconsin purposes for tax year 2013.

The bill creates a Wisconsin individual income tax deduction, effective beginning in tax year 2013, for an amount of up to \$250 that is paid by a classroom teacher for educational materials or supplies for use in a public or private school. The Wisconsin deduction does not apply for years in which the federal deduction is allowable.

Based on a simulation using 2011 individual income tax returns, it is estimated that the bill will reduce revenue by \$1.2 million annually beginning in fiscal year 2014.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Ø	Original		Updated		Corrected		Supplemental			
LRB	Number	13-1899	11	Intro	duction Nur	nber	SB-099			
individ educat	ng federal law ual income ta tional supplies -time Costs o	x deduction f or Revenue I	or educators	who use the	ion for certain ed eir own funds to r Local Governi	purchase	classroom			
	annualized fiscal effect):									
II. Anr	nualized Cost	ts:			Annualized Fiscal Impact on funds from:					
					Increased Costs	s	Decreased Costs			
A. Sta	te Costs by (Category								
Stat	e Operations	- Salaries an	d Fringes		\$		\$			
	E Position Cha									
	e Operations	- Other Cost	3							
Loca	al Assistance									
	to Individuals					-				
	TOTAL State Costs by Category				\$		\$			
	te Costs by S	Source of Fu	nds		<u>,</u>					
GPF					·					
FEC						1				
PRO	D/PRS									
SEC	S/SEG-S					<u> L.</u>				
	ite Revenues ues (e.g., tax				al will increase ets.)	or decre	ase state			
					Increased Re	v	Decreased Rev			
GPF	R Taxes				\$		\$-1,200,000			
GPF	R Earned									
FEC)									
PRO	D/PRS									
	S/SEG-S									
T	OTAL State F	Revenues			\$		\$-1,200,000			
			NET ANNUA	LIZED FISC	AL IMPACT					
					State	2	<u>Local</u>			
NET CHANGE IN COSTS				\$		\$				
NET CHANGE IN REVENUE				\$-1,200,000		\$				
Agend	cy/Prepared I	<u></u> Зу		Authorized	Signature		Date			
DOR/ Bradley Caruth (608) 261-8984 Joh				John Koskii	nen (608) 267-89	4/1/2013				