

Fiscal Estimate Narratives

DOR 4/1/2013

LRB Number	13-1899/1	Introduction Number	SB-099	Estimate Type	Original
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					

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

Original
 Updated
 Corrected
 Supplemental

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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			
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	\$	\$-1,200,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-1,200,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-1,200,000	\$
Agency/Prepared By		Authorized Signature	Date
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