



## Fiscal Estimate Narratives

DOR 7/19/2017

LRB Number	<b>17-2102/1</b>	Introduction Number	<b>AB-0436</b>	Estimate Type	<b>Original</b>
<b>Description</b> reducing the eligibility threshold to claim the veterans and surviving spouses property tax credit					

### Assumptions Used in Arriving at Fiscal Estimate

This bill reduces the eligibility threshold for an eligible veteran, the spouse of an eligible veteran, and the unremarried surviving spouse of an eligible veteran to claim the veterans and surviving spouses property tax credit under the individual income tax system. Under the bill, a claimant may claim the credit if the claimant's service-connected disability rating is at least 70%. Currently, that rating must be 100% (or treated as 100% based on individual unemployability).

Under the bill, the maximum credit that a claimant may claim is multiplied by the percentage of the claimant's service-connected disability rating. The bill does not affect a claimant who claims the credit based on individual unemployability.

An analysis of data from the Department of Veterans Affairs suggests that the bill would increase the number of credit claimants by about 3,300, resulting in \$7.9 million in additional claims. Because veterans and surviving spouses property tax credit claimants cannot also claim the school property tax credit, the homestead credit, or the farmland preservation credit, the bill will also reduce those claims by about \$0.9 million. The net fiscal effect of the bill is approximately \$7.0 million annually beginning in fiscal year 2019.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> reducing the eligibility threshold to claim the veterans and surviving spouses property tax credit			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	7,900,000		
<b>TOTAL State Costs by Category</b>	<b>\$7,900,000</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR	7,900,000		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$900,000	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$900,000</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$7,900,000	\$	
NET CHANGE IN REVENUE	\$900,000	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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