

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>17-4780/1</b>	<b>Introduction Number</b> <b>AB-0793</b>	
<b>Description</b> the limit on tax credits that may be certified under the historic rehabilitation tax credit		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b>		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <div style="float: right; margin-top: 10px;"> <b>5. Types of Local Government Units Affected</b>  <input type="checkbox"/> Towns      <input type="checkbox"/> Village      <input type="checkbox"/> Cities  <input type="checkbox"/> Counties      <input type="checkbox"/> Others  <input type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts         </div>		
<b>Fund Sources Affected</b>		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Jamie Adams (608) 266-6785	1/9/2018

## Fiscal Estimate Narratives

DOR 1/9/2018

LRB Number	<b>17-4780/1</b>	Introduction Number	<b>AB-0793</b>	Estimate Type	<b>Original</b>
<b>Description</b> the limit on tax credits that may be certified under the historic rehabilitation tax credit					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, Wisconsin offers a nonrefundable state income and franchise tax credit to supplement the federal historic rehabilitation credit. Both the state and federal historic rehabilitation credits are equal to 20% of qualified expenditures to substantially rehabilitate certified historic buildings for use in a trade or business. The state credit must be claimed at the same time as the federal credit is claimed for federal purposes. The projects generating the state credit must also be certified by the Wisconsin Economic Development Corporation (WEDC). Beginning with projects certified on or after July 1, 2018, WEDC may certify no more than \$500,000 of state credit for all rehabilitation projects undertaken on the same parcel.

This bill raises the limit on the amount of tax credits that may be certified by WEDC from \$500,000 to \$3,500,000.

Based on an analysis of rehabilitation projects contracted and/or certified by WEDC as well as the expected project completion timelines for rehabilitation projects in planning/construction phases, the department expects the increased credit cap to reduce revenue by \$3.5 million in fiscal year 2019, \$8.3 million in fiscal year 2020, and increasing amounts annually thereafter.

Because the fiscal effect of the historic credit is sensitive to a relatively small number of large rehabilitation projects, the amount of claims in any given year is relatively volatile. Claimants are also sensitive to the amount of credit they expect to receive and may adjust rehabilitation project timelines or scopes depending on statutory caps.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 17-4780/1	<b>Introduction Number</b> AB-0793	
<b>Description</b> the limit on tax credits that may be certified under the historic rehabilitation 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		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
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, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$See Text	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984		Jamie Adams (608) 266-6785
		1/9/2018