

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>17-4216/1</b>	<b>Introduction Number</b> <b>AB-0892</b>
<b>Description</b> creating an individual income tax credit for certain property tax increases and making an appropriation	
<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 type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input 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 5. Types of Local Government Units Affected <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	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</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 20.835 (2) (cb)	
<b>Agency/Prepared By</b> DOR/ Bradley Caruth (608) 261-8984	<b>Authorized Signature</b> Jamie Adams (608) 266-6785
<b>Date</b> 2/5/2018	

## Fiscal Estimate Narratives

DOR 2/5/2018

LRB Number	17-4216/1	Introduction Number	AB-0892	Estimate Type	Original
<b>Description</b> creating an individual income tax credit for certain property tax increases and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a refundable individual income tax credit for claimants who are at least 70 1/2 years old and whose federal adjusted gross income is no more than 250% of the federal poverty level in the year to which the claim relates. The credit amount is calculated as the difference between the claimant's school district portion of the property tax assessment on his or her principal dwelling in the year to which the claim relates, and the claimant's school district portion of the property tax assessment on that same dwelling in the previous year. To be able to claim the credit, the claimant must have paid the property taxes that are the basis of the calculation.

The credit may not be claimed by part-year and nonresidents of this state. Under the bill, no credit may be claimed for any increase in property taxes due to improvements the claimant makes to the principal dwelling.

About 182,000 income tax returns were filed for tax year 2015 by individuals who met the age and income requirements under the bill, claimed a property tax credit (school property tax credit, homestead credit, veterans and surviving spouses credit) for their property tax paid, and lived in a municipality with a school levy increase from 2015 to 2016. Based on the estimated amount of those increases, the new refundable credit would increase expenditures by about \$3.1 million annually. To the extent that the school levy amounts increase faster or slower than they did from 2015 to 2016, the fiscal effect of the bill would be higher or lower, respectively.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> creating an individual income tax credit for certain property tax increases and making an appropriation		
<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>Increased Costs</b>	<b>Decreased Costs</b>
<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, ets.)</b>		
	<b>Increased Rev</b>	<b>Decreased Rev</b>
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	\$See Text	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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		2/5/2018