

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>17-2455/1</b>	Introduction Number <b>SB-157</b>
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**Description**  
 changing the individual income tax deduction eligibility requirements for certain adoption-related expenses

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations     
  Increase Existing Revenues     
  Increase Costs - May be possible to absorb within agency's budget
- Decrease Existing Appropriations     
  Decrease Existing Revenues     
  Yes       No
- Create New Appropriations       Decrease Costs

**Local:**

- No Local Government Costs
  - Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue  
 Permissive  Mandatory       Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue  
 Permissive  Mandatory       Permissive  Mandatory
5. Types of Local Government Units Affected
- Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected** **Affected Ch. 20 Appropriations**

GPR  
  FED  
  PRO  
  PRS  
  SEG  
  SEGS

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## Fiscal Estimate Narratives

DOR 4/17/2017

LRB Number	<b>17-2455/1</b>	Introduction Number	<b>SB-157</b>	Estimate Type	<b>Original</b>
<b>Description</b> changing the individual income tax deduction eligibility requirements for certain adoption-related expenses					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, an adoptive parent may claim up to \$5,000 for adoption fees, court costs, and legal fees relating to the domestic adoption of a child for whom a final order of adoption was entered by a Wisconsin court during the taxable year. This bill extends eligibility to foreign adoptions and claimants for whom an order has been entered by a court of any other state.

The current law deduction for adoption related expenses reduces revenue by approximately \$132,000 annually. Statistics from the U.S. Department of Health and Human Services, Child Welfare Information Gateway and the U.S. State Department Bureau of Consular Affairs suggest that about 7% of Wisconsin adoptions are from other countries. However, the share of adoptions by Wisconsin taxpayers that are ordered by a court of another state is unknown, so the fiscal effect of the bill is unknown. As an example, if 17% of Wisconsin adoptions are foreign adoptions (7%) or are ordered by courts of other states (10%), the bill would reduce revenue by approximately \$22,440. To the extent that the share of newly qualifying adoptions is larger or smaller than 17%, the fiscal effect would also be larger or smaller.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 17-2455/1	<b>Introduction Number</b> SB-157	
<b>Description</b> changing the individual income tax deduction eligibility requirements for certain adoption-related expenses		
<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>
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		4/17/2017