

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>17-4571/1</b>	Introduction Number <b>SB-481</b>
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**Description**  
 eliminating deductions for moving expenses for businesses that move out of the state or out of the United States

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Appropriations	<input checked="" 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"/> Create New Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	<input type="checkbox"/> 0
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DOR/ Michael Oakleaf (608) 261-5173	<b>Authorized Signature</b> Jamie Adams (608) 266-6785	<b>Date</b> 10/30/2017
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## Fiscal Estimate Narratives

DOR 10/30/2017

LRB Number	<b>17-4571/1</b>	Introduction Number	<b>SB-481</b>	Estimate Type	<b>Original</b>
<b>Description</b> eliminating deductions for moving expenses for businesses that move out of the state or out of the United States					

### Assumptions Used in Arriving at Fiscal Estimate

Under current federal and state law, a business may deduct from its taxable income the cost of moving its operations from one location to another as an ordinary and customary business expense. Under the bill, a business that moves its operations in whole or in part to another state or country would be required to add back to income the expenses associated with the move.

### Fiscal Estimate

Data do not exist to estimate the fiscal effect of the bill. It is expected that the bill would result in an increase in revenue of an unknown amount. However, the increase in revenue is not anticipated to be large. For example, assume a business spends \$500,000 to move its operations out of state. If the business had an apportionment factor of 17.6% (the average for all corporate returns in 2013), it would pay additional tax of \$6,952 ( $\$500,000 \times 17.6\% \times 7.9\%$  corporate tax rate) in the tax year in which they move their operations. If 100 similar businesses move out of state in a year, the total revenue increase would be \$695,200.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 17-4571/1	<b>Introduction Number</b> SB-481	
<b>Description</b> eliminating deductions for moving expenses for businesses that move out of the state or out of the United States		
<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	\$See Text	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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