

Fiscal Estimate Narratives

WEDC 2/28/2018

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| LRB Number | 17-5491/1 | Introduction Number | SB-859 | Estimate Type | Original |
| Description authorizing certain tax benefits for a paper products manufacturer with facilities in the city of Neenah and village of Fox Crossing and making an appropriation | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

SB-859 authorizes WEDC to certify a certain paper products manufacturing business as eligible to claim tax credits. The business may be eligible to claim certain income and franchise tax credits based upon the payroll of eligible full-time employees and significant capital expenditures located in Neenah and Fox Crossing. Subject to certain limitations, the business may earn tax credits of 17 percent on eligible wages and 15 percent on significant capital expenditures.

Using available labor market information for the Paper Manufacturing Industry (NAICS 322xxx) in the Appleton region, WEDC estimates the average annual wages and salary to be between \$65,000 and \$75,000 per job. Assuming a base payroll of 610 full-time employees in Neenah and Fox Crossing, WEDC could certify the business as eligible to earn approximately \$6.7 and \$7.8 million per year for up to 15 years.

WEDC will be able to absorb the cost of administering the new statutory requirements under the proposal.

Long-Range Fiscal Implications