

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>23-2291/1</b>	Introduction Number <b>AB-0480</b>
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**Description**  
 eligibility for farmland preservation tax credits

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input checked="" type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government</b>	
<input type="checkbox"/> Indeterminate	Units Affected	
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 <u>0</u>
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 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)(do)

Agency/Prepared By	Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	10/13/2023

## Fiscal Estimate Narratives

DOR 10/13/2023

LRB Number	23-2291/1	Introduction Number	AB-0480	Estimate Type	Original
<b>Description</b> eligibility for farmland preservation tax credits					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a person may claim an individual income or corporate income and franchise tax credit for the person's land engaged in an agricultural use, if the land is covered by a farmland preservation agreement or located in a farmland preservation zoning district, or both.

- If the farmland IS located in farmland preservation zoning district AND subject to a farmland preservation agreement, the credit is equal to \$10.00 per qualifying acre of farmland.
- If the farmland IS located in farmland preservation zoning district, BUT NOT subject to a farmland preservation agreement, the credit is equal to \$7.50 per qualifying acre of farmland.
- If the farmland IS NOT located in farmland preservation zoning district, but IS subject to a farmland preservation agreement, the credit is equal to \$5.00 per qualifying acre of farmland.

This bill disallows a person from claiming the farmland preservation tax credit for any part of the claimant's qualifying acres on which a photovoltaic solar energy system that is not an integral part of or incidental to an agricultural use.

According to a memo released by the Wisconsin Legislative Council (IM-2023-06), under current law, "land use restrictions within a farmland preservation agreement generally preclude the development of solar energy facilities." In contrast, farmland eligible for a credit because it is located in a farmland preservation zoning district may still retain its eligibility under current law if the acreage is still primarily devoted to agricultural use. This bill would reduce those credit claims by \$7.50 per affected acre, though DOR is not able to identify the number of acres of farmland affected by the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
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  Supplemental

<b>LRB Number</b> 23-2291/1	<b>Introduction Number</b> AB-0480	
<b>Description</b> eligibility for farmland preservation tax credits		
<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>
DOR/ Bradley Caruth (608) 261-8984		Michael Oakleaf (608) 261-5173
		10/13/2023