

### Fiscal Estimate - 2023 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 23-5775/1		<b>Introduction Number</b> SB-1041	
<b>Description</b> a tax credit for local newspaper subscriptions			
<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 checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input 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	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>	
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	2/27/2024	

## Fiscal Estimate Narratives

DOR 2/27/2024

LRB Number	23-5775/1	Introduction Number	SB-1041	Estimate Type	Original
<b>Description</b> a tax credit for local newspaper subscriptions					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a nonrefundable income tax credit for 50 percent of amounts paid to subscribe to a qualifying local newspaper, up to a maximum credit of \$250 per year. A qualifying local newspaper is a newspaper that is certified to print legal notices under current law.

The Department of Administration (DOA) lists 188 newspapers certified to publish legal notices. These include larger circulation papers like the Milwaukee Journal Sentinel and the Wisconsin State Journal to smaller circulation papers in municipalities across the state. Subscription rates vary as well, with some newspapers offering different rates for print and electronic options.

From the DOA 2024 certification letters, the qualifying newspapers reported 622,000 paid print subscribers (3,300 on average) and average delivery of 1.7 newspapers per week. Sampling subscription rates suggests a typical subscription cost of about \$1 per paper. This implies a total print subscription cost of approximately \$54.5 million.

Public financial statements from Lee Enterprises and Gannett Co., which each operate portfolios of local and regional newspapers, indicate that digital-only subscription revenue was about 13 percent of print subscription revenue. That suggests that digital-only subscription revenue could contribute an additional \$7.1 million of subscription costs.

Using a credit rate of 50 percent applied to total subscription costs of \$61.6 million yields a total annual revenue loss of \$30.8 million beginning in fiscal year 2025.

To the extent that not all newspaper subscribers have Wisconsin tax liability, and some subscribers may also be limited by the credit cap under the bill, the fiscal effect will be smaller. To the extent that the credit incentivizes individuals to subscribe to eligible newspapers, the fiscal effect could increase.

According to Department of Administration net tax reduction calculations related to the American Rescue Plan Act (ARPA), the remaining margin for tax reductions before triggering potential SLFRF recoupment is \$97.0 million for fiscal year 2024 and \$326.6 million for fiscal year 2025. This bill would reduce these margins by the amount of fiscal effect.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 23-5775/1	<b>Introduction Number</b> SB-1041	
<b>Description</b> a tax credit for local newspaper subscriptions		
<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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