

Fiscal Estimate Narratives

DOR 9/1/2023

LRB Number	23-0795/1	Introduction Number	SB-0393	Estimate Type	Original
Description requiring universal changing stations in certain buildings, creating a tax credit for installation of the stations, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill requires certain building at least one single-occupant restroom with a universal changing station. The bill also creates a refundable tax credit for the installation of universal changing stations. Taxpayers that are eligible to receive the credit must either have had fewer than \$1,000,000 in gross receipts or no more than 30 full-time employees in the preceding tax year. The bill limits the tax credit to no more than \$5,125.

Fiscal Effect

The bill will increase costs to the state. The magnitude of the increase is indeterminate as data to make such an estimate does not exist. However, the following information is provided for illustrative purposes.

According to taxpayer data, 33% of businesses will qualify as a small business with less than \$1,00,00 in gross receipts. Tax returns do not disclose how many employees an employer has. Using building permit information from the City of Madison, the city issues on average 85 commercial building permits a year for renovations/expansions. The City of Madison's GDP is about 5.4% of the State of Wisconsin's GDP. Assuming the distribution of building permits mirrors the distribution of GDP, we can assume a state-wide estimate of approximately 500 building permits a year across the state. With a maximum of \$5,125 for about 500 permits, the fiscal effect would be a \$2,600,000 increase in costs to the state.

The fiscal effect may be larger or smaller depending on the number of businesses that take advantage of the credit. The estimate may also be smaller depending on how many claimants do not receive the maximum value of the credit. The estimate may be larger depending on how many businesses qualify for the credit based on the employment threshold.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description requiring universal changing stations in certain buildings, creating a tax credit for installation of the stations, and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	2,600,000	
TOTAL State Costs by Category	\$2,600,000	\$
B. State Costs by Source of Funds		
GPR	2,600,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$2,600,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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