



## Legislative Fiscal Bureau

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### Tax Law Changes Since 2011

The attached table shows the estimated fiscal effects in fiscal years 2011-12 through and 2018-19 of changes enacted since January, 2011, to general fund taxes, the economic development surcharge, and property taxes.

With limited exceptions, the amounts shown in the table are the fiscal estimates that were prepared at the time the applicable legislation was passed. These amounts generally have not been adjusted to reflect actual collection data or economic growth that has occurred since the time of enactment of the applicable legislation. The table only includes provisions that would directly increase or decrease a taxpayer's tax liability. It does not include tax enforcement provisions, income tax withholding table changes, the effect of the recent Illinois income tax increase, or the impact on general fund tax collections of the changes to state and local government employee compensation included in 2011 Act 10. The table also does not include refundable credits or provisions that have a minimal fiscal effect.

The fiscal effects of several provisions will increase over time due to delayed effective dates and phase-ins. The income tax exclusion for capital gains on Wisconsin-based assets created in 2011 Act 32, will increase to an estimated revenue loss of \$73.4 million in 2019-20 and to \$79.4 million in 2020-21 and thereafter. The impact of repealing the alternative minimum tax will increase to \$7.0 million annually beginning in 2019-20, and the fiscal effect of changing the apportionment rules for broadcasters will increase to \$13.0 million annually beginning in that year. The estimated revenue increase from limiting the state historic rehabilitation credit will increase to more than \$46 million annually by 2025-26. In addition, beginning July 1, 2020, federal law will prohibit Wisconsin from imposing the sales and use tax on internet access services. 2017 Act 59 amended state law to repeal imposition of the tax on that date. The estimated revenue loss of this provision is \$166 million annually, beginning in 2020-21

November 30, 2017

# ATTACHMENT

## General Fund Tax, Economic Development Surcharge, and Property Tax Changes Enacted Since January 2011 (Millions)

	<u>Legislation</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Eight-Year Total</u>
<b>Income and Franchise Taxes</b>										
Health Savings Accounts	2011 Act 1	-\$21.20	-\$28.00	-\$28.00	-\$28.00	-\$28.00	-\$28.00	-\$28.00	-\$28.00	-\$217.20
Relocated Business Credit/Deduction	2011 Act 3	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-4.00
Economic Development Zone Increase	2011 Act 4	0.00	0.00	0.00	-6.25	-6.25	-6.25	-6.25	0.00	-25.00
Deduction for New Hires	2011 Act 5	-2.70	-2.70	-2.70	-2.70	-2.70	-2.70	-2.70	-2.70	-21.60
Extend Dairy/Livestock Credit	2011 Act 15	0.00	-1.58	-1.58	-1.58	-1.58	-1.58	-1.58	-1.58	-11.06
Manufacturing and Agriculture Credit (MAC)	2011 Act 32	0.00	-15.60	-81.70	-152.70	-235.20	-299.00	-320.20	-334.00	-1,438.40
Combined Reporting--Pre-2009 Loss Sharing	2011 Act 32	-9.20	-37.20	-40.00	-40.00	-40.00	-40.00	-40.00	-40.00	-286.40
Capital Gains Deferral for WI Investments	2011 Act 32	-16.10	-20.20	-20.20	-20.20	-20.20	-20.20	-20.20	-20.20	-157.50
Capital Gains Exclusion for WI Investments	2011 Act 32	0.00	0.00	0.00	0.00	0.00	-6.00	-22.80	-56.60	-85.40
Internal Revenue Code Update	2011 Act 32	0.23	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-2.20
Beloit Development Opportunity Zone	2011 Act 37	0.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-7.00
Health Insurance for Independent Children	2011 Act 49	-2.70	-1.80	-1.80	-1.80	-1.80	-1.80	-1.80	-1.80	-15.30
Credit for Hiring Disabled Veterans	2011 Act 212	-0.30	-1.30	-2.00	-2.40	-2.40	-2.40	-2.40	-2.40	-15.60
Income Tax Rate Cut	2013 Act 20	0.00	0.00	-327.80	-320.10	-320.10	-320.10	-320.10	-320.10	-1,928.30
Internal Revenue Code Update	2013 Act 20	0.00	0.00	15.50	18.20	18.20	18.20	18.20	18.20	106.50
Private School Tuition Deduction	2013 Act 20	0.00	0.00	0.00	-30.00	-30.00	-30.00	-30.00	-30.00	-150.00
Increase Economic Development Credit	2013 Act 20	0.00	0.00	-3.70	-9.00	-6.88	-0.56	-0.56	-0.56	-21.25
Sunset Dairy and Livestock Investment Credit	2013 Act 20	0.00	0.00	2.40	9.80	9.80	9.80	9.80	9.80	51.40
Extend Research Credits to Non-corporate Filers	2013 Act 20	0.00	0.00	-1.90	-7.50	-7.50	-7.50	-7.50	-7.50	-39.40
Net Operating Losses	2013 Act 20	0.00	0.00	-1.70	-6.80	-6.80	-6.80	-6.80	-6.80	-35.70
Delete Cap on Angel Credit	2013 Act 20	0.00	0.00	0.00	-5.00	-5.00	-5.00	-5.00	-5.00	-25.00
Depreciation, Depletion, Section 179 Expensing	2013 Act 20	0.00	0.00	-1.20	-3.80	-3.80	-3.80	-3.80	-3.80	-20.20
Phase-out Medical Records Credit	2013 Act 20	0.00	0.00	0.00	5.00	7.50	10.00	10.00	10.00	42.50
Sunset Relocated Business Credit/Exclusion	2013 Act 20	0.00	0.00	1.50	2.20	2.20	2.20	2.20	2.20	12.50
Increase Historic Rehabilitation Credit	2013 Act 20	0.00	0.00	-1.70	-1.70	-1.70	-1.70	-1.70	-1.70	-10.20
Small Business Stock	2013 Act 20	0.00	0.00	-0.80	-2.30	-2.30	-2.30	-2.30	-2.30	-12.30
Sunset Super Research and Development Credit	2013 Act 20	0.00	0.00	0.50	2.00	2.00	2.00	2.00	2.00	10.50
Index Tuition Deduction	2013 Act 20	0.00	0.00	-0.67	-1.53	-1.53	-1.53	-1.53	-1.53	-8.32
Tax Reform Interaction effects	2013 Act 20	0.00	0.00	-0.30	-1.20	-1.20	-1.20	-1.20	-1.20	-6.30
Farm Loss Limits	2013 Act 20	0.00	0.00	-0.20	-0.70	-0.70	-0.70	-0.70	-0.70	-3.70
Sunset Water Consumption Credit	2013 Act 20	0.00	0.00	0.10	0.30	0.30	0.30	0.30	0.30	1.60
Difference in Basis of Assets	2013 Act 20	0.00	0.00	0.00	0.20	0.20	0.20	0.20	0.20	1.00
Sunset Biodiesel Fuel Pump Credit	2013 Act 20	0.00	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.50
End Econ. Dev. Surcharge on Individuals, Partnerships, & Farms	2013 Act 20	0.00	0.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-48.00
Historic Rehabilitation Credit Expansion	2013 Act 62	0.00	0.00	-1.00	-3.80	-3.80	-3.80	-3.80	-3.80	-20.00
Reduce Bottom Income Tax Rate	2013 Act 145	0.00	0.00	-2.10	-96.50	-96.50	-96.50	-96.50	-96.50	-484.60
PTRC Offset From Lower Property Taxes	2013 Act 145	0.00	0.00	0.00	2.64	2.64	2.64	2.64	2.64	13.20
Allow Research Credit against AMT	2013 Act 145	0.00	0.00	0.00	-0.50	-0.50	-0.50	-0.50	-0.50	-2.50
Allow Historic Rehab. Credit against AMT	2013 Act 145	0.00	0.00	0.00	-1.00	-1.00	-1.00	-1.00	-1.00	-5.00
One-Time Extension of Relocated Business Exclusion/Credit	2013 Act 145	0.00	0.00	-0.11	-0.14	0.00	0.00	0.00	0.00	-0.25
Index EdVest Deduction	2013 Act 227	0.00	0.00	0.00	-0.40	-0.40	-0.40	-0.40	-0.40	-2.00
Federalize Minimum Tax Exemption Amounts	2015 Act 55	0.00	0.00	0.00	0.00	0.00	-6.00	-25.40	-29.90	-61.30
Increase Standard Deduction for Married Filers	2015 Act 55	0.00	0.00	0.00	0.00	0.00	-20.90	-20.90	-20.90	-62.70
Deduction for Teachers' Expenses	2015 Act 55	0.00	0.00	0.00	0.00	-1.10	-1.10	-1.10	-1.10	-4.40
ABLE Accounts	2015 Act 55	0.00	0.00	0.00	0.00	-0.31	-0.70	-0.70	-0.70	-2.41
Edvest Modifications	2015 Act 55	0.00	0.00	0.00	0.00	-0.20	-0.90	-0.90	-0.90	-2.90
Historic Rehabilitation Credit for Green Bay Project	2015 Act 55	0.00	0.00	0.00	0.00	-0.50	-0.50	-0.50	-0.50	-2.00

	<u>Legislation</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Eight-Year Total</u>
Repeal Economic Development Tax Credit*	2015 Act 55	\$0.00	\$0.00	\$0.00	\$0.00	\$2.25	\$7.50	\$7.50	\$7.50	\$24.75
Decrease MAC in 2015	2015 Act 55	0.00	0.00	0.00	0.00	16.80	0.00	0.00	0.00	16.80
Repeal Deduction for New Hires	2015 Act 55	0.00	0.00	0.00	0.00	2.70	2.70	2.70	2.70	10.80
Exclusion for Income from Disaster Repair	2015 Act 84	0.00	0.00	0.00	0.00	-0.10	-0.28	-0.28	-0.28	-0.94
Eliminate Minimum Tax	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.75	-1.75
Calculation of Itemized Deduction Credit for Nonresidents	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.58	0.59	1.17
MAC/Other States Tax Credit Interaction	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	9.70	9.70	19.40
Limit Historic Rehabilitation Credit	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.30	2.30
Internal Revenue Code Update	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-0.60	-0.80	-1.40
Direct Contributions from IRAs	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4.80	-4.80
Other States' Tax Credit	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	11.30	9.00	20.30
Treatment of Net Operating Losses	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00
Eliminate Payment of Interest on Tax Credits	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	1.00
Apportionment for Broadcasters--Income/Franchise Tax	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3.20	-3.20
Apportionment for Broadcasters--Econ. Dev. Surcharge	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.12	-0.12
Subtotal--Income and Franchise taxes		<u>-\$52.47</u>	<u>-\$110.23</u>	<u>-\$511.01</u>	<u>-\$717.01</u>	<u>-\$775.20</u>	<u>-\$875.90</u>	<u>-\$910.42</u>	<u>-\$966.73</u>	<u>-\$4,919.38</u>
<b>Other General Fund Taxes</b>										
Sales Tax Exemption for Modular Homes	2011 Act 32	-\$0.20	-\$0.26	-\$0.26	-\$0.26	-\$0.26	-\$0.26	-\$0.26	-\$0.26	-\$2.02
Sales Tax Exemption for Direct Mail	2011 Act 32	0.00	0.00	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-3.00
Sales Tax Exemption for Snow-Making Equipment	2011 Act 32	0.00	0.00	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.90
Sales Tax on Lump Sum Contracts	2013 Act 20	0.00	0.00	-0.46	-0.58	-0.58	-0.58	-0.58	-0.58	-3.36
Sales Tax Exemptions for Printers	2013 Act 20	0.00	0.00	-1.00	-1.30	-1.30	-1.30	-1.30	-1.30	-7.50
Sales Tax Exemption for Manufacturing and Biotech Research	2013 Act 20	0.00	0.00	-0.90	-0.90	-0.90	-0.90	-0.90	-0.90	-5.40
Sunset HIRSP Assessment Credit	2013 Act 20	0.00	0.00	0.60	3.00	3.00	3.00	3.00	3.00	15.60
HIRSP Credit Extension	2013 Act 116	0.00	0.00	0.00	-1.25	0.00	0.00	0.00	0.00	-1.25
Sales Tax Exemption for Aircraft Parts and Services	2013 Act 185	0.00	0.00	-0.24	-2.90	-2.90	-2.90	-2.90	-2.90	-14.74
Sales Tax Refunds--Private Label Credit Cards	2013 Act 229	0.00	0.00	0.00	0.00	-11.00	-11.00	-11.00	-11.00	-44.00
Sales Tax Exemption for Fertilizer Blending Equipment	2013 Act 324	0.00	0.00	-0.38	-1.50	-1.50	-1.50	-1.50	-1.50	-7.88
Sales Tax Exemptions for Radio/TV Stations	2013 Act 346	0.00	0.00	0.00	-2.20	-2.20	-2.20	-2.20	-2.20	-11.00
Delay Private Label Credit Card Provision	2015 Act 55	0.00	0.00	0.00	0.00	11.00	11.00	0.00	0.00	22.00
Sales Tax Exemption for Deer	2015 Act 55	0.00	0.00	0.00	0.00	-0.07	-0.14	-0.14	-0.14	-0.49
Impose Hard Cider Tax on Pear Cider	2015 Act 55	0.00	0.00	0.00	0.00	-0.13	-0.25	-0.25	-0.25	-0.88
Sales Tax Exemption for Disaster Repair	2015 Act 84	0.00	0.00	0.00	0.00	-0.05	-0.11	-0.11	-0.11	-0.38
Sales Tax Exemption for Contractors' Purchases	2015 Act 126	0.00	0.00	0.00	0.00	-3.20	-6.40	-6.40	-6.40	-22.40
Sales Tax Exemption for Jukebox Music	2015 Act 251	0.00	0.00	0.00	0.00	-0.02	-0.23	-0.23	-0.23	-0.71
Sales Tax Exemption for Federal Excise Tax on Trucks	2015 Act 361	0.00	0.00	0.00	0.00	-0.23	-0.56	-0.56	-0.56	-1.91
Increase Occasional Sales Thresholds	2015 Act 364	0.00	0.00	0.00	0.00	-0.30	-0.59	-0.59	-0.59	-2.07
Sales Tax on Beekeepers	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	-0.09	-0.13
Sales Tax on Fish Farms	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-0.03	-0.07	-0.10
Construction Materials for UW and WTCS	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.50	-2.50
Sales Tax on Motorcycles	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.22	0.43
Delay Credit Card Bad Debt Provisions	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	10.15	10.44	20.59
Sales Tax on Occasional Sales	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-0.08	-0.16	-0.25
Sales Tax on Food Prepared Off-Site	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-1.15	-1.20	-2.35
Sales Tax on Lump Sum Contracts	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-1.25	-1.50	-2.75
Cigarette Discount	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-0.30	-0.60	-0.90
Subtotal--Other General Fund Taxes		<u>-\$0.20</u>	<u>-\$0.26</u>	<u>-\$3.29</u>	<u>-\$8.54</u>	<u>-\$11.28</u>	<u>-\$15.57</u>	<u>-\$19.07</u>	<u>-\$22.03</u>	<u>-\$80.23</u>

	<u>Legislation</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Eight-Year Total</u>
<b>Property Taxes</b>										
Increase Lottery Tax Credit	2013 Act 20	\$0.00	\$0.00	-\$14.85	-\$14.85	-\$14.85	-\$14.85	-\$14.85	-\$14.85	-\$89.10
Increase School Aids	2013 Act 46	0.00	0.00	-40.00	-60.00	-60.00	-60.00	-60.00	-60.00	-340.00
Increase WTCS Funding	2013 Act 145	0.00	0.00	0.00	-406.00	-406.00	-406.00	-406.00	-406.00	-2,030.00
Increase School Aids	2015 Act 55	0.00	0.00	0.00	0.00	0.00	-108.14	-108.14	-108.14	-324.42
Increase School Levy Tax Credit	2015 Act 55	0.00	0.00	0.00	0.00	0.00	-105.60	-105.60	-105.60	-316.80
Increase School Aids	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-72.75	-72.75
Increase Lottery Tax Credit	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-8.00	-40.00	-48.00
Increase School Levy Tax Credit	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-87.00	-87.00
Repeal Forestry Mill Tax	2017 Act 59	0.00	0.00	0.00	0.00	0.00	0.00	-89.26	-91.64	-180.90
Expand Personal Property Tax Exemptions	2017 Act 59	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-74.40</u>	<u>-74.40</u>
Subtotal--Property Taxes		\$0.00	\$0.00	-\$54.85	-\$480.85	-\$480.85	-\$694.59	-\$791.85	-\$1,060.38	-\$3,563.37
Grand Total		-\$52.67	-\$110.49	-\$569.15	-\$1,206.40	-\$1,267.33	-\$1,586.06	-\$1,721.74	-\$2,049.15	-\$8,562.98

\*2015 Act 55 repealed the economic development tax credit and the jobs tax credit, beginning in tax year 2016, and created a new business development credit in that year. The jobs credit and the business development credit are refundable, so they are not included in the table.