

MISCELLANEOUS APPROPRIATIONS

Budget Summary					FTE Position Summary	
Fund	2006-07 Adjusted Base	Request		2007-09 Change Over Base Year Doubled		
		2007-08	2008-09	Amount	%	
GPR	\$114,283,300	\$126,939,300	\$133,109,700	\$31,482,400	13.8%	There are no authorized positions for Miscellaneous Appropriations.
SEG	<u>27,695,700</u>	<u>27,697,800</u>	<u>27,776,500</u>	<u>82,900</u>	0.1	
Total	\$141,979,000	\$154,637,100	\$160,886,200	\$31,565,300	11.1%	

Major Request Items

1. MINNESOTA - WISCONSIN INCOME TAX RECIPROCITY

GPR	\$20,003,800
-----	--------------

Request increases of \$7,259,500 in 2007-08 and \$12,744,300 in 2008-09 to reflect the anticipated payments to Minnesota in the 2007-09 biennium under the Minnesota-Wisconsin individual income tax reciprocity agreement. Total funding would be \$68,559,500 in 2007-08 and \$74,044,300 in 2008-09.

2. ILLINOIS-WISCONSIN INCOME TAX RECIPROCITY

GPR	\$9,015,000
-----	-------------

Request increases of \$3,208,700 in 2007-08 and \$5,806,300 in 2008-09 to reflect the anticipated payments to Illinois in the 2007-09 biennium under the Illinois-Wisconsin individual income tax reciprocity agreement. Total funding would be \$37,108,700 in 2007-08 and \$39,706,300 in 2008-09.

3. INTEREST ON OVERPAYMENT OF TAXES

GPR	\$2,500,000
-----	-------------

Request increases in the sum-sufficient appropriation for interest on tax overpayments of \$2,250,000 in 2007-08 and \$250,000 in 2008-09. Total funding would be \$4,500,000 in 2007-08 and \$2,500,000 in 2008-09.

4. AIRLINE AD VALOREM TAX HUB EXEMPTION -- GENERAL FUND TRANSFER

GPR	- \$1,154,200
-----	---------------

Request a reduction of \$577,100 annually in the appropriation for making a transfer from the general fund to the transportation fund for the airline hub exemption, to reflect a

determination that Air Wisconsin Airlines will no longer qualify for the exemption in 2007. Under current law, commercial air carriers are exempt from paying the state airline ad valorem tax if they operate a hub facility in the state. A hub facility is defined as either one of the following: (a) a facility from which an air carrier operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations or transported cargo to nonstop destinations; or (b) an airport or any combination of airports in Wisconsin from which an air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company's headquarters is in the state. Air Wisconsin Airlines has previously qualified for the exemption under the second definition of a hub facility, but no longer meets this definition and, therefore, will begin paying ad valorem taxes in 2007. Also under current law, there is an annual transfer from the general fund to the transportation fund for each exempt airline equal to the amount paid in the last year that the airline paid the tax. The transfer would be reduced under this item to reflect the fact that Air Wisconsin will no longer be exempt from the tax. Midwest Airlines is expected to continue to qualify for the exemption, and so an annual transfer of \$1,953,300 will continue to be made to the transportation fund to reflect that exemption.

Although the reduction in the transfer would reduce transportation fund revenues, and the resumption of ad valorem tax payments from Air Wisconsin Airlines will increase transportation fund revenues, the net effect of these changes is unknown and was not reflected in the transportation fund condition statement submitted with the budget request of the Department of Transportation.

5. OIL PIPELINE TERMINAL TAX

GPR	\$1,117,800
-----	-------------

Request increases of \$514,900 in 2007-08 and \$602,900 in 2008-09 to the sum sufficient appropriation to reflect estimates of payment amounts. This program was created by 2005 Wisconsin Act 25, and the Act limited the program's initial payment in 2006-07 to no more than \$652,100. With the preceding adjustments, estimated funding would be increased from an adjusted base level of \$652,100 to \$1,167,000 in 2007-08 and \$1,255,000 in 2008-09.