

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

<b>LRB # -0982/2</b>
<b>INTRODUCTION # AB 378</b>
<b>Admin. Rule #</b>

**Subject**  
**Sales and Use Tax Exemption for Equipment Utilizing Wind and Solar Power**

**Fiscal Effect**

- State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues            | <input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriation | <input checked="" type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Decrease Costs   |
| <input type="checkbox"/> Create New Appropriation        |  |   |

**Local:**  No Local Government Costs

- |  |   |   |
|--|---|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                       | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others _____ |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input checked="" type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts   |

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

This bill creates a sales and use tax exemption for wind and solar electric generating equipment that produce more than 200 watts of alternating current. Currently, this equipment is exempt when sold to a public utility. The bill exempts sales to other entities.

Very few industry-specific data are available for non-utility purchases of wind and solar electric generating equipment. However, the Department has identified nearly 20 companies that specialize in the distribution and sale of solar or wind electrical generating equipment in Wisconsin. The taxable receipts from these companies totaled nearly \$400,000 in 1998. Assuming most of these sales were for equipment producing more than 200 watts of alternating current, and that these firms handle most of the retail sales of these products in Wisconsin, the fiscal effect would be about \$20,000 (\$400,000 x 5%).

In 1997, county and stadium sales taxes were 6.25% of state sales taxes. Assuming this percentage remains applicable in 1999, the loss in local sales tax revenues would be \$1,250.

**Long-Range Fiscal Implications:**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue John T. Stott, (608) 266-9706	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	<b>Date</b> 6/24/99
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**1999 Session**

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**Subject**  
**Sales and Use Tax Exemption for Equipment Utilizing Wind and Solar Power**

**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 State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	( - FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</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	\$	\$ - 20,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ - 20,000

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 20,000	\$ - 1,250

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