

FISCAL ESTIMATE

LRB or Bill No. / Adm. Rule No.
0846/1 AB 78
Amendment No. (If Applicable)

DOA-2048 (R 10/94) ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject
Provides year round sales tax and use tax exemption on electricity used in farming.

Fiscal Effect
 State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory

2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory

4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Unit Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Source Affected
 GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This provision will have no impact on DATCP's budget since the department does not have taxing authority.

Current law provides an exemption for sales and use taxes on electricity sold to farmers during the months of November, December, January, February, March, and April. Farm electricity is taxed for all other months of the year. This proposal will provide a year round exemption for farmers, providing them with a tax break. At the same time, it should help utilities by eliminating a complicated "part time" taxing system.

Long - Range Fiscal Implications

N/A

<p>Agency/prepared by: (Name & Phone No.) Jeanne M. Meier DATCP 608-224-5046</p>	<p>Authorized Signature/Telephone No.  Barbara Knapp (608) 224-4746</p>	<p>Date 11/18/98</p>
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