

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL       UPDATED
- CORRECTED       SUPPLEMENTAL

LRB # 99-4464/1

INTRODUCTION # AB 819

Admin. Rule #

Subject

Create Sales and Use Tax Exemption for Breast Milk Pumps

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

3.  Increase Revenues  
 Permissive  Mandatory

5. Types of Local Governmental Units Affected:

2.  Decrease Costs  
 Permissive  Mandatory

4.  Decrease Revenues  
 Permissive  Mandatory

Towns  Villages  Cities

Counties  Others SWPBD

School Districts  WTCS Districts

Fund Sources Affected

- GPR  FED  PRO  PRS  SEG  SEG-S

Affected Ch. 20 Appropriations

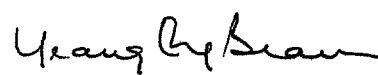
Assumptions Used in Arriving at Fiscal Estimate:

This bill would create a sales and use tax exemption for devices used in pumping breast milk. Currently, breast milk pumps are considered taxable tangible personal property.

Data on the sale of breast milk pumps in Wisconsin are not available. However, based upon the number of births and proportion being breast fed, sales tax revenue would decline by an estimated \$16,000 annually. Most recent birth data suggests that 67,000 babies are born in Wisconsin annually, recent studies have found that some 60% of mothers breast-feed. Of those that breast feed, the Department estimates that 20% would purchase a new pump. Assuming 8,040 pumps are sold in Wisconsin at an average unit cost of \$40 each; sales of breast milk pumps total some \$322,000 (8,040 x \$40) annually. The revenue loss from exempting such devices would be approximately \$16,000 (\$322,000 x .05) annually.

This bill would have a minimal effect on county and stadium sales tax revenues.

Long-Range Fiscal Implications:

| Agency/Prepared by: (Name & Phone No.)                               | Authorized Signature/Telephone No.  | Date    |
|--|---|---------|
| Wisconsin Department of Revenue<br><br>John T. Stott, (608) 266-9706 | Yeang-Eng Braun<br><br>(608) 266-2700<br> | 3/20/00 |

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 99-4464/1**

**Admin. Rule #**

**INTRODUCTION # AB 819**

**Subject**

**Create Sales and Use Tax Exemption for Breast Milk Pumps**

**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: |                    |
|---|---|--------------------|
| A. State Costs by Category  | Increased Costs                               | Decreased Costs    |
| 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>                                     | <b>\$ -</b>        |
| B. State Costs by Source of Funds   | Increased Costs                               | Decreased Costs    |
| GPR   | \$  | \$ -               |
| 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   | \$  | \$ - 16,000        |
| GPR Earned  |   | -                  |
| FED   |   | -                  |
| PRO/PRS   |   | -                  |
| SEG/SEG-S   |   | -                  |
| <b>TOTAL State Revenues</b>   | <b>\$</b>                                     | <b>\$ - 16,000</b> |

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS

\$ \_\_\_\_\_

\$ \_\_\_\_\_

NET CHANGE IN REVENUES

\$ -16,000 \_\_\_\_\_

\$ minimal \_\_\_\_\_

| Agency/Prepared by: (Name & Phone No.)                           | Authorized Signature/Telephone No.                          | Date    |
|--|---|---------|
| Wisconsin Department of Revenue<br>John T. Stott, (608) 266-9706 | Yeang-Eng Braun<br><i>Yeang Eng Braun</i><br>(608) 266-2700 | 3/20/00 |