

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

| |
|------------------------------|
| LRB # 99-4796/1 |
| INTRODUCTION # AB 954 |
| Admin. Rule # |

Subject
Expand Sales Tax Exemption for Self-Service Laundry Services

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"/> Create New Appropriation | <input type="checkbox"/> Decrease Costs | |

Local: No Local Government Costs

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

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 tax exemption for all self-service laundry services. Currently, coin-operated self-service laundry services are exempt. Other laundry, dry cleaning, pressing and dyeing services are subject to the sales tax. Based upon data from the 1992 Census of Service Industries, adjusted to 2000 levels, receipts from self-service laundry equipment will total approximately \$37.7 million in 2000.

According to information provided by the Wisconsin Self-Service Laundry Association, about 4% of the state's self-service laundry equipment use tokens, tickets, debit cards, or credit cards—most self-service laundry equipment is operated by coins. The revenue loss associated with this exemption would be about \$75,000 (\$37.7 million x 4% x 5%) annually.

County and stadium sales tax revenues would be reduced by a minimal amount.

Long-Range Fiscal Implications:

| Agency/Prepared by: (Name & Phone No.) | Authorized Signature/Telephone No. | Date |
|--|---|---------|
| Wisconsin Department of Revenue John T. Stott, (608) 266-9706 | Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i> | 4/14/00 |

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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INTRODUCTION # AB 954

Subject

Expand Sales Tax Exemption for Self-Service Laundry Services

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 |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringe | \$ | \$ - |
| (FTE Position Changes) | (FTE) | (- FTE) |
| State Operations-Other Costs | | - |
| Local Assistance | | - |
| Aids to Individuals or Organizations | | - |
| TOTAL State Costs by Category | \$ | \$ - |
| B. State Costs by Source of Funds | | |
| 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 | \$ | \$ - 75,000 |
| GPR Earned | | - |
| FED | | - |
| PRO/PRS | | - |
| SEG/SEG-S | | - |
| TOTAL State Revenues | \$ | \$ - 75,000 |

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS

\$ _____

\$ _____

NET CHANGE IN REVENUES

\$ -75,000

\$ minimal loss

Agency/Prepared by: (Name & Phone No.)

Wisconsin Department of Revenue

John T. Stott, (608) 266-9706

Authorized Signature/Telephone No.

Yeang-Eng Braun

(608) 266-2700

Yeang-Eng Braun

Date

4/14/00