

Fiscal Estimate - 2003 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 03-0723/1	Introduction Number AB-10	
Subject Sales and use tax exemption for game birds		
Fiscal Effect <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 45%;"> <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues </div> </div> </div> <div style="width: 35%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-between;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;"> Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 45%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory </div> </div> </div> <div style="width: 35%;"> 5. Types of Local Government Units Affected <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 30%;"> <input type="checkbox"/> Village <input checked="" type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 30%;"> <input type="checkbox"/> Cities <input type="checkbox"/> <u>Baseball & football stadiums</u> </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 55%;"> Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div style="width: 40%;"> Affected Ch. 20 Appropriations 20.835(4) (g), (gb) and (ge) </div> </div>		
Agency/Prepared By DOR/ Blair Kruger (608) 266-1310	Authorized Signature Dennis Collier (608) 266-5773	Date 1/29/2003

Fiscal Estimate Narratives

DOR 1/29/2003

LRB Number	03-0723/1	Introduction Number	AB-10	Estimate Type	Original
Subject					
Sales and use tax exemption for game birds					

Assumptions Used in Arriving at Fiscal Estimate

Under AB 10, sales of game birds to game farms and game clubs would be exempt from sales and use tax.

According to the Department of Natural Resources (DNR), each year DNR sells to operators of game farms about 300,000 tags which are attached to pheasants before being removed from the farm. According to the Wisconsin Gamebird Preserve Association (WGPA), about 75% of pheasants purchased by game farms are removed from farms. Thus, an estimated 400,000 pheasants ($300,000 \times .75$) are sold to game farms annually. Also according to WGPA, a mature game bird costs about \$7.50 on average. Therefore, estimated sales of game birds to game farms are about \$3,000,000 ($\$7.50 \times 400,000$) annually. In addition, according to the WGPA, about 40,000 chukar partridges, which do not require DNR tags, are purchased annually. Game farms pay about \$6 per chukar partridge and so total chukar partridge sales are estimated to be about \$240,000 ($\$6 \times 40,000$) per year. Total game bird sales are an estimated \$3,240,000 per year; therefore, under the bill, state sales taxes would decrease by about \$162,000 ($5\% \times \$3,240,000$) per year.

Distributions of county, baseball park and football stadium sales taxes were 7.268% of state sales taxes in FY02. Assuming this percentage remains constant, distributions of local sales taxes would decrease by about \$12,000 ($\$162,000 \times 7.268\%$) annually under the bill.

Administrative costs of the bill are minimal and would be absorbed by the Department.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject		
Sales and use tax exemption for game birds		
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 funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	
(FTE Position Changes)		
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	\$	\$-162,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$-162,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-162,000	\$-12,000
Agency/Prepared By	Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310	Dennis Collier (608) 266-5773	1/29/2003