

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0476/1	Introduction Number AB-162
------------------------------------	--

Subject
 Sales and use tax exemption for property and services sold at a home exchange service

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease 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 Costs
--	---	---

Local:

No Local Government Costs
 Indeterminate

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	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	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
--	--	--

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310	Rebecca Boldt (608) 266-6785	3/14/2005

Fiscal Estimate Narratives

DOR 3/14/2005

LRB Number	05-0476/1	Introduction Number	AB-162	Estimate Type	Original
Subject					
Sales and use tax exemption for property and services sold at a home exchange service					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a gift certificate is not subject to sales tax at the time of sale; however, if the gift certificate is redeemed for taxable tangible personal property or a taxable service, sales tax is imposed on the price of the tangible personal property or taxable service.

Under the bill, sales of tangible personal property and taxable services by a home exchange service that is owned by the Department of Veterans Affairs (DVA) would be exempt from sales tax.

The residents of the Wisconsin Veterans Home at King (Waupaca County) may purchase items in the home's coffee shops, snack bars, gift shops, and other facilities using scrip (essentially gift certificates) issued by the DVA's Home Exchange Service. The scrip is purchased by charitable service organizations and donated to the home for the use of resident veterans.

Since the bill would affect only one taxpayer, Wisconsin's confidentiality law prohibiting publication of a business's taxable sales and sales taxes applies. However, Wisconsin sales taxes would decrease by a very small amount under the bill.

Waupaca County sales taxes would also decrease under the bill.

The DVA plans to provide a similar home exchange service at the Veterans Home at Union Grove (Racine County); state sales taxes and baseball district sales taxes will decrease slightly when that service is implemented.

Administrative costs of the department are minor and would be absorbed.

Long-Range Fiscal Implications