

Fiscal Estimate Narratives

DOR 3/12/2012

LRB Number	11-3806/1	Introduction Number	AB-0680	Estimate Type	Original
Description Creating a property tax exemption for a nonprofit youth baseball association					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, land (not exceeding 6 acres), buildings, and personal property owned or leased by a nonprofit youth baseball association would be exempt from real and personal property taxation. The exemption would take effect for the assessment on January 1, 2012.

Based on a list of nonprofit organizations that qualify as charities for federal income tax purposes (Internal Revenue Service Publication #78), there are 101 nonprofit baseball related organizations based in Wisconsin, of which about 50 (based on the organization's name) are clearly associated with youth baseball. The IRS list includes only those organizations that have registered with the IRS and have filed sufficient information to effectively prove their tax exempt status. It is therefore possible that additional nonprofit organizations involved with youth baseball exist.

Information available to the Department of Revenue (DOR) does not permit it to identify the value of those properties which could become exempt under the bill. It is expected that most of the value potentially exempt under the bill would be for the land used by the nonprofit youth baseball associations. Assuming 50 eligible associations, 6 acres per association, and a land value of \$5,000 per acre, the bill could exempt \$1,500,000 in property from taxation. Based on an average net property tax rate of \$19.69 per \$1,000 equalized value for the 2011/12 property tax year, the bill would have shifted about \$29,500 in property taxes from the affected baseball organizations to other property owners. The State of Wisconsin imposes a property tax at a rate of about \$0.1697 per \$1,000 equalized value for forestry purposes; the bill would have reduced the state tax levy for 2011/12 by about \$255.

Costs to the DOR for updating its assessment manual and notifying assessors of the law change can be absorbed within current budgetary resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Creating a property tax exemption for a nonprofit youth baseball association			
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	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S (State Forestation)		-255
	TOTAL State Revenues	\$	\$-255
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-255	\$See text
Agency/Prepared By		Authorized Signature	Date
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