

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2434/1	Introduction Number AB-0631
------------------------------------	---

Description
 Sales and use tax exemption for the sale of gun safes

Fiscal Effect

State:

- | | | |
|---|--|--|
| <input type="checkbox"/> No State Fiscal Effect | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Indeterminate | <input checked="" type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Increase Existing Appropriations | | |
| <input type="checkbox"/> Decrease Existing Appropriations | | |
| <input type="checkbox"/> Create New Appropriations | | <input type="checkbox"/> Decrease Costs |

Local:

- | | | |
|--|---|---|
| <input type="checkbox"/> No Local Government Costs | | |
| <input type="checkbox"/> Indeterminate | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | 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 checked="" type="checkbox"/> Others <u>stadium districts</u>

<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input checked="" type="checkbox"/> Decrease Revenue | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory | |
| | | |

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

Agency/Prepared By DOR/ Robert Schmidt (608) 266-5773	Authorized Signature Robert Schmidt (608) 266-5773	Date 2/18/2014
---	--	--------------------------

Fiscal Estimate Narratives

DOR 2/18/2014

LRB Number	13-2434/1	Introduction Number	AB-0631	Estimate Type	Original
Description Sales and use tax exemption for the sale of gun safes					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, retail sales and purchases of tangible personal property are subject to Wisconsin sales/use tax unless an exemption applies.

The bill creates a sale/use tax exemption for the sale and purchase of guns safes.

According to the US Census Bureau's 2007 Economic Census, Wisconsin sales of firearms, hunting equipment, and supplies (product line 20507) totaled \$147.1 million in 2007. Based on data from Wisconsin sales and use tax returns, taxable sales for sporting goods stores (NAICS 45111 – the primary sales location of product line 20507) increased 2.6% from 2007 to 2013. Assuming Wisconsin sales of product line 20507 increased at the same rate, taxable sales were \$150.9 million in 2013. Further assuming that gun safes represent 5% of sales within product line 20507, taxable sales of gun safes reached approximately \$7.5 million in 2013. Under these assumptions, a sales/use tax exemption for gun safes would reduce state sales/use tax collections by approximately \$380,000 on an annual basis.

County and stadium taxes were 8.2% of state sales taxes in FY13. Assuming this percentage does not change, county and stadium sales and use taxes would decrease by \$31,000 annually.

The Department of Revenue's administrative costs under the bill are minimal and would be absorbed within existing budget authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-2434/1		Introduction Number AB-0631	
Description Sales and use tax exemption for the sale of gun safes			
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	\$		\$-380,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$-380,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-380,000		-\$31,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Robert Schmidt (608) 266-5773		Robert Schmidt (608) 266-5773	2/18/2014