

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-4152/1	Introduction Number AB-0867
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Description
 Prohibiting the inclusion of Racine County in the jurisdiction of a local professional baseball park district

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 Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Baseball District</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<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
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(gd)	

Agency/Prepared By DOR/ Robert Schmidt (608) 266-5773	Authorized Signature Robert Schmidt (608) 266-5773	Date 3/24/2014
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Fiscal Estimate Narratives

DOR 3/24/2014

LRB Number	13-4152/1	Introduction Number	AB-0867	Estimate Type	Original
Description Prohibiting the inclusion of Racine County in the jurisdiction of a local professional baseball park district					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the professional baseball district is comprised of Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties. The district imposes a 0.1% sales and use tax on taxable transactions that occur within the jurisdiction of the district. The sales and use tax revenue funds stadium construction, repairs, and improvements over the 30 year anticipated life of the stadium. Once the baseball district sales and use tax collections meet the obligations of the district, the baseball district tax will end.

The Department of Revenue collects and administers the baseball district sales and use tax. DOR distributes 98.5% of tax collections to the district and retains 1.5% of collections for administrative expenses.

Under the bill, Racine County would no longer be included in the professional baseball park district on June 1, 2014, or the day after publication, whichever is later.

The department does not have sales tax return data specific to Racine County, as the county does not impose the county sales tax. Based on population, personal income, and retail sales estimates produced by the US Census Bureau, approximately 10% of district sales are attributable to Racine County. Based on 2013 baseball park district distributions, it is estimated that the district revenues will decrease by approximately \$2.6 million (10% X \$26.20 million distribution) on an annual basis under the bill for the duration of the baseball district sales and use tax.

The decrease in baseball district sales and use tax collections will cause a decrease in the 1.5% administrative fee revenue retained by the state. It is estimated that the revenue decrease for the state under the bill will be \$40,000 on an annual basis for the duration of the district sales and use tax.

The Streamlined Sales and Use Tax Agreement requires member states to provide sellers with 120 days' notice prior to local sales and use tax rate changes. The effective date of the bill does not allow for 120 days and would require DOR to provide written notification to sales tax filers at a cost of \$54,000. If the effective date allowed for 120 days' notice, the notification could be provided through existing channels at no additional cost.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Prohibiting the inclusion of Racine County in the jurisdiction of a local professional baseball park district			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The current effective date requires DOR to provide written notification to sales tax filers, at a cost of \$54,000. If the effective date allowed for at least 120 days' notice, the notification could be provided through existing channels at no additional cost.			
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 (20.566(1)(gd))		-40,000
	SEG/SEG-S		
	TOTAL State Revenues	\$	-\$40,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		-\$40,000	-\$2,600,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Robert Schmidt (608) 266-5773		Robert Schmidt (608) 266-5773	3/24/2014