

Fiscal Estimate Narratives

DOR 11/25/2015

LRB Number	15-1386/1	Introduction Number	SB-393	Estimate Type	Original
Description Property tax exemption for a winter sports club					

Assumptions Used in Arriving at Fiscal Estimate

The bill provides a general property tax exemption for all property owned or leased by a charitable organization used for cross-country skiing and ski jumping that meet criteria specified in the bill. Organizations that are tax-exempt under section 501 (c)(3) of the Internal Revenue Code are commonly described as charitable organizations. According to data provided by the Internal Revenue Services (IRS), there are approximately 946,500 charitable organizations in the United States that have the tax-exempt status, of which approximately 19,120 are located in Wisconsin. The Department of Revenue (DOR) applied several keywords, including "Ski", "Jump", "Winter" and "Snow", to the dataset. The procedure resulted in 87 organizations. Many of the organizations were then removed based on the types of the organizations' activities that are irrelevant to the activities that are indicated in the bill. DOR further reviewed five organizations that were selected through the screening process: Tri Norse Ski Club, Blackhawk Ski Club, Flying Eagles Ski Club Inc., Iola Winter Sports Club Inc., and Minocqua Winter Park Trail Fund Corporation. Further research revealed that only Iola Winter Sports Club Inc. (IWSC) appears to meet the criteria specified in the bill.

IWSC is located in the town of Iola in Waupaca County and the property appears to be partially in Portage County. For 2013 and 2014, the assessed value of IWSC's property was \$163,400 and \$168,300, respectively. Assuming the 2014 assessed value and property tax rates for the same year, the bill will lower the gross tax revenues by approximately \$3,300, or \$3,000 in net tax revenues:

Breakdown of IWSC Gross Tax Levy (2014, est.)

State: \$29

Municipality (town of Iola): \$277

County: \$1,134

School District: \$1,712

Technical College District: \$189

Other: \$4

DOR does not have any information regarding whether IWSC currently leases any property from a third party.

The exemption would result in a minimal decrease in state revenue (state forestation tax). Local property taxes would shift from the IWSC property to the remaining taxable property.

Administrative costs to DOR can be absorbed within the current budgetary resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Property tax exemption for a winter sports club		
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 (Conservation Fund)		-29
TOTAL State Revenues	\$	\$-29
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-29	\$
Agency/Prepared By	Authorized Signature	Date
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