

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-3732/1</b>	Introduction Number <b>AB-0580</b>
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**Description**  
 sales and use tax exemption for beekeeping equipment

**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"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<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	<b>5. Types of Local Government Units Affected</b>	
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<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	

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

<b>Agency/Prepared By</b> DOR/ Travis Arthur (608) 266-8565	<b>Authorized Signature</b> Jamie Adams (608) 266-6785	<b>Date</b> 10/31/2019
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**Fiscal Estimate Narratives**  
**DOR 10/31/2019**

LRB Number <b>19-3732/1</b>	Introduction Number <b>AB-0580</b>	Estimate Type <b>Original</b>
<b>Description</b> sales and use tax exemption for beekeeping equipment		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, sales of certain items used in the business of farming are exempt from sales and use taxes. Farming includes beekeeping, which is defined to mean the business of moving, raising, producing, and other management of bees or bee products. The bill creates a sales and use tax exemption for sales of equipment used in beekeeping that is engaged in as a hobby, rather than as a business.

Using data from the USDA National Agricultural Statistics Service, the department estimates the Wisconsin share of US hives to be 1.9%. In addition, according to the USDA, US expenditures for honey bee operations totaled \$96 million in 2017. Using the Wisconsin share of US hives and assuming 2% annualized growth, the department estimates Wisconsin expenditures on honey bee operations to be \$1.9 million in 2020. Assuming hobbyists account for 10% of total equipment expenditures, the department estimates sales tax collections will decrease under the bill by \$9,700 ( $\$1.9 \text{ million} * 10\% * 5\%$ ) on an annual basis.

County and baseball district sales taxes were 8.5% of state sales tax revenues in FY19. Assuming this percentage does not change, county and baseball district sales taxes will decrease by a minimal amount.

The fiscal effect could be greater/smaller to the extent hobbyists make up more/less than 10% of bee equipment expenditures.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
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<b>LRB Number</b> <b>19-3732/1</b>		<b>Introduction Number</b> <b>AB-0580</b>	
<b>Description</b> sales and use tax exemption for beekeeping equipment			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Travis Arthur (608) 266-8565		Jamie Adams (608) 266-6785	10/31/2019