

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4471/1	Introduction Number SB-526
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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"/> Indeterminate	<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<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
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others <u>0</u>
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

Fund Sources Affected	Affected Ch. 20 Appropriations
<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	

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Fiscal Estimate Narratives
DOR 10/31/2019

LRB Number 19-4471/1	Introduction Number SB-526	Estimate Type Original
Description 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

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LRB Number 19-4471/1		Introduction Number SB-526	
Description sales and use tax exemption for beekeeping equipment			
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		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
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		Jamie Adams (608) 266-6785	
			Date
			10/31/2019