•			LRB or Bill No./Adm. Rule I	No.					
FISCAL ESTIMATE	☑ ORIGINAL	☐ UPDATED	AD A	ാറാ					
DO 4 00 40 N/D40/00)	☐ CORRECTED	SUPPLEMENTAL	LRB 2172/1 AB 2						
DOA-2048 N(R10/98)	- CONVECTED	- OOFFEENERINE	Anendrient No. II Applicable						
	-								
Subject Property Toy Fy	vernation for Es	winment Used to Te	et Electronic or Comput	er Products					
Fiscal Effect	kempuon for Ed	ulprilent Osed to re	st Electronic or Comput	<u>er i roducis</u>					
State: No State Fiscal Effect									
Check columns below only sum sufficient appropriation		☐ Increase Costs - May be Possible to Absorb Within Agency's Budget ☐ Yes ☐ No							
☐ Increase Existing Appropriation	☐ Increase E	cisting Revenues							
☐ Decrease Existing Appropriation	□ Decrease E								
☐ Create New Appropriation			☐ Decrease Costs						
Local: No Local Government Costs see text of fiscal note									
	3.	ase Revenues	5. Types of Local Governme	ental Units Affected:					
Increase Costs     □ Permissive □ Mandaton		Permissive  Mandatory	☐ Towns ☐ Village	·					
	_	ease Revenues	☐ Counties ☐ Others						
2. ☐ Decrease Costs ☐ Permissive ☐ Mandator		Permissive  Mandatory	☑ Counties ☑ Others	<del>oposia, alautioto</del>					
Fermissive Wandator	, <u> </u>	ommoore 🗀 manaarry		WTCS Districts					
Fund Sources Affected		Affected Ch. 2	0 Appropriations						
GPR FED PRO P	RS SEG S	SEG-S							
Assumptions Used in Arriving at Fis	cal Estimate								
Under current law, testing equipment that a manufacturer uses during the production process is exempt manufacturing machinery and equipment (M&E). Also under current law, testing equipment that is computer equipment is exempt. Local units of government are compensated with a state aid for taxes lost due to exempt computer equipment.									
The bill exempts from property tax equipment used before, during or after the production process to test electronic or computer products that a manufacturer manufactures, or electronic or computer components that are used in a manufacturer's products. Some of the testing equipment exempted under the bill is already exempt under current law either as computer equipment or manufacturing M&E. The fiscal effect of the bill results from exempting testing equipment that is currently taxable.									
Local Fiscal Effect. According machinery, tools and pattern manufacturing assessors, teand that is owned by compute equalized value of machiner	ns totaled about esting equipmer eter and electro	t \$1.30 billion in 199 nt that is neither com nics manufacturers a	<ol> <li>Based on discussion iputer equipment nor material accounted for approximate</li> </ol>	is with state anufacturing M&E, ately 3% of the					
		(continu	ed on page two)						
Long-Range Fiscal Implications			•						
Agency/Prepared by: (Name & Pho	ne No.) Au	thorized Signature/Teleph	one No.	Date					
Wisconsin Department of Revenue	ł	ang-Eng Braun	a l	ulintes					
Blair P. Kruger, (608) 266-1310	(60	18) 266-2700 Yea	yeang Rybrain 4/14/99						
Digit F. Muyer, (000) 200-1010	1 ,55	•		<u></u>					

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FISCAL ESTIMATE LRB 2172/1 Page 2

statewide average net tax rate of \$22.12 per \$1,000 of equalized value, property taxes of about \$860,000 ( $$38.9M \times 0.02212$ ) would be shifted under the bill from owners of newly-exempted testing equipment to owners of other taxable property.

State Fiscal Effect. SEG State forestry revenues would decrease by about \$7,800 (\$38.9 million x \$0.20 per \$1,000) under the bill.

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	LRB or Bill No./Adm. Rule N					dm. Rule No.	Amendment No.		
FISCAL ESTIMATE	☐ ORIGINAL		UPDATED				,		
DOA-2047 N(R10/98)	CORRECTED		SUPPLEMENTAL	LRB	2172/1	AB 298			
Subject Create Property Tax Ex	cemption for Eq	uipn	nent Used to Tes	t Elec	tronic or	Computer Pr	roducts		
I. One-Time Costs or Revenue Impact									
					Annuali	zed Fiscal impact	on State Funds from:		
II. Annualized Costs:						sed Costs	Decreased Costs		
A. State Costs by Category	•				S Increas	Seu Costs	\$ -		
State Operations - Salaries and Fring (FTE Position Changes)	<u>e</u>						( ETE)		
					( F	TE)	(- FTE)		
State Operations-Other Costs					<u> </u>		_		
Local Assistance				<u></u>			_		
Aids to Individuals or Organizations					s		  S -		
TOTAL State Costs by Catego	ry								
B. State Costs by Source of Funds  GPR					Increa:	sed Costs	Decreased Costs \$ -		
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.)					Increa	ased Rev.	Decreased Rev.		
GPR Taxes					\$		<b>s</b> -		
GPR Earned									
FED							<u> </u>		
PRO/PRS							-		
SEG/SEG-S			State Forestr	y Taxes			- 7,800		
TOTAL State Revenues					\$		\$ - 7,800		
	NET	ANN	IUALIZED FISCAL IMF	ACT					
			STATE	,		<u>L</u>	OCAL		
NET CHANGE IN COSTS		\$				\$			
NET CHANGE IN REVENUES \$ - 7,800						\$ see text of fiscal note			
					N-		Date		
Agency/Prepared by: (Name & Ph	one No.)	Aut	horized Signature/Tel	epnone	NO.				
Wisconsin Department of Revenue	•	Yeang-Eng Braun  Yeang Ly Braun  LI/14/99							
Blair P. Kruger, (608) 266-1310 (608) 266-2700					7 - 1				