

FISCAL ESTIMATE

ORIGINAL UPDATED

DOA-2048 N(R10/98)

CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

SB 89 [LRB-2155/1]

Amendment No. if Applicable

Subject

Sales and Use Tax Exemption for Sales by Education Foundations That Benefit Public Schools

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No Local Government Costs

- 1. Increase Costs
 Permissive Mandatory
- 2. Decrease Costs
 Permissive Mandatory

- 3. Increase Revenues
 Permissive Mandatory
- 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
- Counties Others SWPBPD
- School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This bill would create a sales and use tax exemption for sales by education foundations, if the proceeds are expended for the educational purposes of public schools.

Under current law, sales made by for-profit education foundations are subject to the sales and use tax. In addition, sales made by nonprofit education foundations that are not occasional sales are subject to the sales and use tax. As a result, sales by nonprofit education foundations are subject to tax, if the nonprofit organization is engaged in making sales for more than 20 days during the year and/or the gross receipts from these sales exceeds \$15,000. All sales by nonprofit education foundations involving admission to events in which the performers are paid more than \$300 in aggregate are also subject to the sales and use tax.

Information regarding taxable sales by for-profit and nonprofit education foundations and the use of the proceeds from these sales is not available. Therefore, the decrease in sales tax revenue that would result from this bill cannot be determined.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue John T. Stott, (608) 266-9706	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	3/25/99

1999 Session

**FISCAL ESTIMATE
DOA-2047 N(R10/98)**

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. SB 89	Amendment No.
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Subject

Sales and Use Tax Exemption for Sales by Education Foundations That Benefit Public Schools

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 State Funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe (FTE Position Changes)	\$ -	\$ -
State Operations-Other Costs	(FTE)	(- FTE)
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.)		
GPR Taxes	\$ -	\$ - unknown
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ -	\$ - unknown

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - unknown	\$ - unknown

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue John T. Stott, (608) 266-9706	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 <i>Yeang-Eng Braun</i>	Date 3/25/99
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