

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 3078/1
INTRODUCTION # SB 210
Admin. Rule #

Subject
Create a Sales and Use Tax Exemption for Certain Flags

Fiscal Effect

<p>State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation</p> <p><input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation</p>	<p><input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Decrease Costs</p>
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Local: No Local Government Costs

<p>1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p>	<p>3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input checked="" type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory</p>	<p>5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>SWBPD</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p>
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Fund Sources Affected
 GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill creates a sales and use tax exemption for U.S. and Wisconsin State flags.

The Flag Research Center estimates that national and state flag sales total nearly \$300 million annually. Industry data suggests that at least half of these sales would be to organizations that are exempt from Wisconsin's sales and use tax (i.e., schools, government offices, etc.). Based on Wisconsin's share of U.S. population, taxable sales of U.S. and state flags are estimated at \$2.9 million (\$300 million x 50% x 1.9%) annually. Therefore, the revenue loss associated with this proposal is an estimated \$145,000 (\$2.9 million x 5%) annually.

In 1998, local sales tax revenues collected by Wisconsin counties and the Southeast Wisconsin Professional Baseball Park District were 6.24% of state sales tax revenues. Assuming this percentage applies, local sales tax revenue would be reduced by \$9,000 (\$145,000 x 6.24%) annually.

Long-Range Fiscal Implications:

<p>Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue John T. Stott, (608) 266-9706</p>	<p>Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700</p> <p><i>Yeang Eng Braun</i></p>	<p>Date 7/29/99</p>
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

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 Create a Sales and Use Tax Exemption for Certain Flags

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)	(FTE)	(- FTE)
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	\$	\$ - 145,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 145,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 145,000	\$ - 9,000

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