

**1999 Session**

**FISCAL ESTIMATE**

**DOA-2048 N(R10/98)**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.	
LRB-1998/1	AB 353
Amendment No. if Applicable	

**Subject**  
**Sales Tax Exemption for Personal Emergency Response Systems**

**Fiscal Effect**

State:  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation	<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"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

Local:  No Local Government Costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	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>Stadium District</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</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"/> SEG-S	<b>Affected Ch. 20 Appropriations</b>
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**Assumptions Used in Arriving at Fiscal Estimate**

This bill creates a tax exemption for telecommunications services that allow persons to communicate with a health care facility when they need medical attention. These services are commonly known as Personal Emergency Response Systems (PERS).

A 1997 Department of Revenue phone survey of 25 Wisconsin health care facilities and of national distributors of PERS revealed that approximately 22,000 state residents use PERS. Subscribers pay an average of \$420 per year (or \$35 per month) to use these services. An additional one-time set-up fee averaging \$50 is also charged. Industry studies conducted by *Home Tech Systems* found that unit turnover occurred every 16 months. Therefore, the set-up fee applies to two-thirds of the units in any given year; nearly 15,000 units were set-up in 1998 (22,000 x 2/3). The state sales tax revenue lost from exempting PERS subscriptions would be approximately \$500,000 ((22,000 x \$420 x .05) + (15,000 x \$50 x .05)).

In 1997, county and Southeastern Wisconsin Professional Baseball Park District sales tax revenues were 6.25% of state sales tax revenues. Assuming that this percentage applies, local sales tax revenues would decline by approximately \$31,000 (\$500,000 x .0625) annually.

**Long-Range Fiscal Implications**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue John T. Stott, (608) 266-9706	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 	<b>Date</b> 5/19/99
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**1999 Session**

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

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  LRB-1998/1	Amendment No.  AB 353
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**Subject**  
Sales Tax Exemption for Personal Emergency Response Systems

**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
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	( - FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</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>		
	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$	\$ - 500,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ - 500,000

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 500,000	\$ - 31,000

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue John T. Stott, (608) 266-9706	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	<b>Date</b> 5/19/99
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