Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

X	Original		Updated		Corrected		Supplemental
LRB	Number	01-0222/1		Intro	duction Numb	er A	B-918
Subje	et					····	
Persor	nal property t	tax exemption fo	r computers				e de la companya de
Fiscal	Effect						
	No State Fisc ndeterminate Increase Appropria Decrease Appropria Create Ne	e Existing tions Existing	Increase Revenue Decrease Revenue	s Existing	absorb v	e Costs - within age Yes se Costs	May be possible to ency's budget ⊠No
	Indeterminat 1. Increas Permiss 2. Decreas Permiss	e Costs sive∭ Mandato se Costs sive∭ Mandato	3. Increase I y Permissiv 4. Increase y Permissiv	e Mand Revenue	© Cour	ected ns inties inties	overnment Village Cities Others WTCS Districts
Fund S	Sources Affe		PRS SEC	G 🔲 SE	Affected Ch. EGS 20.835(1)(e)	20 Appr	opriations
Agenc	y/Prepared	Ву	Au	thorized S	Signature		Date
DOR/ Rebecca Boldt (608) 266-6785				an Pahnke	3/25/02		

Fiscal Estimate Narratives DOR 3/25/02

LRB Number 01-	-0222/1	Introduction Number	AB-918	Estimate Type	Original	
Subject						
Personal property	tax exemption for o	computers				

Assumptions Used in Arriving at Fiscal Estimate

Under current law, computers and related equipment are exempt from property tax. While automatic teller machines are not expressly exempt, the state and local assessors treat automatic teller machines as exempt computer personalty. Under current law, the state pays each taxing jurisdiction a state aid equal to the value of exempt computers in the jurisdiction in the preceding year multiplied by the preceding year's full value gross tax rate of the jurisdiction.

Under the bill, the exemption for computers would not apply to automatic teller machines.

Based on data from a major provider of ATM services in the state, there are an estimated 4,250 ATMs in Wisconsin. It is estimated that the acquisition cost of these machines averages \$20,000. Assuming the average machine is 2 years old, they would be subject to 50% depreciation under the state-prescribed 4-year conversion factor. As a result, the taxable value of automatic teller machines would be \$42.5 million $[4,250 \times ($20,000 \times .5)]$.

Assuming a statewide average gross tax rate of \$22.50 per \$1,000 of full value, the bill would result in a reduced state aid payment equal to approximately \$958,000 [\$42.5 million x .02250].

The bill would have no fiscal effect on local governments to the extent that the reduced state aid payment would be offset by a widened property tax base.

Long-Range Fiscal Implications

Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2047 (R07/2000)

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original Updated		Corrected	Supplemental					
LRB Number 01-0222/1		Introduction Numb	er AB-918					
Subject								
Personal property tax exemption for compute	Personal property tax exemption for computers							
I. One-time Costs or Revenue Impacts for annualized fiscal effect):	State	and/or Local Governmen	t (do not include in					
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			-958,000					
Aids to Individuals or Organizations								
TOTAL State Costs by Category		\$	\$-958,000					
B. State Costs by Source of Funds								
GPR			-958,000					
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, ets.)								
		Increased Rev	Decreased Rev					
GPR Taxes		\$	\$					
GPR Earned		,						
FED								
PRO/PRS			_					
SEG/SEG-S								
TOTAL State Revenues		\$	\$					
NET ANNUALIZED FISCAL IMPACT								
		<u>State</u>	Local					
NET CHANGE IN COSTS		\$-958,000	\$See					
NET CHANGE IN REVENUE		\$	\$					
Agency/Prepared By	Au	thorized Signature	Date					
DOR/ Rebecca Boldt (608) 266-6785	Bria	an Pahnke (608) 266-2700	3/25/02					