

## Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-2353/1	<b>Introduction Number</b> AB-639	
<b>Subject</b> Sales and use tax exemption for certain solar or wind powered products		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriations <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		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Special districts</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</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"/> SEGS		
<b>Agency/Prepared By</b> DOR/ Blair Kruger (608) 266-1310	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 06/15/2001

## Fiscal Estimate Narratives

DOR 11/16/2001

LRB Number	01-2353/1	Introduction Number	AB-639	Estimate Type	Original
<b>Subject</b>					
Sales and use tax exemption for certain solar or wind powered products					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates a sales and use tax exemption for wind and solar electric generating equipment that produces at least 200 watts of alternating current. Currently, such equipment is exempt when sold to a public utility. The bill exempts sales to other entities. The exemption under the bill does not apply to an uninterruptible power source that is designed primarily for computers.

Very little industry-specific data is available for non-utility purchases of wind and solar electric generating equipment. However, the Department has identified nearly 20 companies that specialize in the distribution and sale of solar or wind electrical generating equipment in Wisconsin. The taxable receipts from these companies totaled nearly \$400,000 in 1998. Assuming most of these sales were for equipment producing more than 200 watts of alternating current, and that these firms handle most of the retail sales of these products in Wisconsin, state sales taxes would decrease by about \$20,000 ( $\$400,000 \times 5\%$ ).

In 1997, county and stadium sales taxes were 6.25% of state sales taxes. Assuming this percentage remains applicable, local sales tax revenues would decrease by about \$1,250.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>01-2353/1</b>		Introduction Number <b>AB-639</b>	
Subject Sales and use tax exemption for certain solar or wind powered products			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
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>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-20,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		\$	\$-20,000
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-20,000	\$-1,250
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Blair Kruger (608) 266-1310		Dennis Collier (608) 266-5773	
		<b>Date</b>	
		06/15/2001	