

### Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-1101/1	<b>Introduction Number</b> SB-382	
<b>Subject</b> Recycling activities		
<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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" 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 checked="" 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>Baseball &amp; football districts</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input 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> Brian Pahnke (608) 266-2700	<b>Date</b> 02/04/2002

**Fiscal Estimate Narratives**  
**DOR 02/04/2002**

LRB Number	<b>01-1101/1</b>	Introduction Number	<b>SB-382</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Recycling activities					

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, motor vehicles that are not required to be licensed for highway use and that are used in conjunction with waste reduction or recycling activities are exempt from sales and use tax. Under the bill, all vehicles used in conjunction with waste reduction or recycling activities would be exempt from sales and use tax.

Under current law, machinery and equipment used for waste reduction or recycling activities are exempt from sales and use tax. Under the bill, machinery and equipment used for waste collection and transportation related to recycling activities would be exempt from sales and use tax.

The types of vehicles, machinery and equipment that would be exempt under the bill include, but are not limited to, garbage trucks and other collection vehicles, bins, dumpsters, compactors, balers, and other machinery and equipment for both residential and business use that are involved in the collection or transportation of waste or recyclable materials.

According to the 1997 Economic Census, total revenues of companies that collect and haul solid waste and recyclable materials in Wisconsin were \$392.0 million in 1997; adjusting for economic growth and inflation, such revenues would increase to about \$489.4 million in 2002. Based on the annual reports of solid waste management companies, estimated vehicle and equipment purchases are about 5% of such companies' revenue. Assuming one-half of such purchases would become exempt under the bill, sales tax revenues would decrease by about \$0.6 million annually ( $\$489.4 \text{ million} \times 5\% \times 0.5 \times 5\%$ ). The revenue loss associated with sales of bins, garbage cans, compactors and other equipment to households and companies other than solid waste handlers is unknown.

County, baseball park and football stadium sales and use tax revenues are about 7.064% of state sales and use taxes. Assuming this percentage continues to apply, county and stadium sales tax revenues on sales of waste management and recycling equipment would decline by about \$45,000 annually ( $\$0.6 \text{ million} \times 7.064\%$ ). There would be an additional revenue loss from sales of equipment to households and companies other than solid waste handlers.

Administrative costs of the bill are minimal and would be absorbed by the Department.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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  Updated     
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  Supplemental

<b>LRB Number</b> 01-1101/1		<b>Introduction Number</b> SB-382	
<b>Subject</b>			
Recycling activities			
<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>	<b>\$</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, ets.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$-600,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-600,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-600,000	\$-45,000
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Blair Kruger (608) 266-1310		Brian Pahnke (608) 266-2700	02/04/2002