

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4152/1	Introduction Number AB-783
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Subject
 Property tax exemption for outdoor theaters

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
DOR/ Dennis Collier (608) 266-5773	Dennis Collier (608) 266-5773	2/12/2004

Fiscal Estimate Narratives

DOR 2/13/2004

LRB Number	03-4152/1	Introduction Number	AB-783	Estimate Type	Original
Subject					
Property tax exemption for outdoor theaters					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, property owned or leased by a non-profit outdoor theater for performing theater arts is exempt from property taxation if 1) the organization received its designation as a 501(c)(3) of Internal Revenue Code (IRC) organization no later than July 31, 1969, and 2) the theater has a total seating capacity of not less than 400 seats. The bill also requires that, if the property is sold subsequent to enactment of the exemption, the seller would be required to pay an amount equal to property taxes that would have been levied on the property from the date of the exemption to the date of the transfer of the property. Interest and penalties are charged if these property taxes are paid after the date of the sale, but not if they are paid on or before the date of the sale.

While there are several non-profit outdoor theaters in the state, it is assumed that the Peninsula Players Theater is the only one that received its 501(c)(3) IRC designation before August 1, 1969. Other non-profit outdoor theaters that received a 501(c)(3) IRC designation after July 31, 1969 would remain taxable. The Peninsula Players Theater is located in the Town of Gilbralter, Door County. If the Theater applies for exemption, the bill would result in a shift of approximately \$7,600 of property taxes from the property owned by the Theater to owners of other taxable property in the area.

The provisions that recapture the tax if the property is sold could result in a one-time revenue gains for the taxing jurisdictions in which the theater property is located. However, that gain would occur only if the property was sold and because it cannot be known whether the property would be sold and, if sold, when, an estimate of this revenue gain cannot be made. At the current level of property taxes, the gain would be \$7,600 multiplied by the number of years between the date of the exemption and the date of sale.

The bill would require minor revision to the Wisconsin Property Assessment Manual, the cost of which can be absorbed. There would be minimal loss in state forestry collections.

Because of the provisions requiring recapture of tax if the property is sold, the Town of Gibraltar would need to continue to assess the property annually; therefore, there would be no savings from reduced assessment responsibilities. The bill would require changes to the assessment role in the Town of Gilbralter, the cost of which is expected to be minimal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 03-4152/1	Introduction Number AB-783	
Subject Property tax exemption for outdoor theaters		
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 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		
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	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$	\$See text of fiscal note.
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By Authorized Signature Date		
DOR/ Dennis Collier (608) 266-5773	Dennis Collier (608) 266-5773	2/12/2004