



## Fiscal Estimate Narratives

DOR 8/20/2003

LRB Number	<b>03-2651/1</b>	Introduction Number	<b>SB-216</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Property tax exemption for restaurant kitchen equipment					

### Assumptions Used in Arriving at Fiscal Estimate

The bill exempts machinery and equipment used primarily in the operation of a restaurant's kitchen to prepare or serve food or beverages, regardless of whether the machinery or equipment is attached to real property.

Based on a survey of property assessors on the value of restaurant machinery and equipment and U.S. Census data on the number of eating and drinking places in Wisconsin, it is assumed that the bill would exempt restaurant machinery and equipment valued at approximately \$225 million statewide. Using the 2002/03 statewide average net effective property tax rate of \$20.56 per \$1,000 of full value, the bill would result in an estimated tax shift of \$4.6 million [ $\$225 \text{ million} \times .02056$ ] from owners of restaurant machinery and equipment to other taxable property.

The bill would result in a decrease of approximately \$45,000 in state forestry taxes.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Subject</b>			
Property tax exemption for restaurant kitchen equipment			
<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, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Conservation)			-45,000
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-45,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-45,000		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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