

Fiscal Estimate Narratives
DOR 2/3/2004

LRB Number	03-3866/1	Introduction Number	SB-385	Estimate Type	Original
Subject					
Sales tax on luxury boxes at a professional baseball stadium					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, sales tax would be imposed on leases of luxury boxes, sky boxes and club seats at baseball parks owned, operated or leased by a professional baseball park district. The bill would apply to Miller Park only.

Under current law, sales tax is imposed on the fair market value of the admission tickets and parking included in the price of a luxury box, sky box or club seat at Miller Park. However, sales tax is not imposed on the amount of the lease exceeding the value of the tickets and parking included with the lease.

The fiscal effect of the bill is the tax imposed on the value of the lease of a luxury suite less the value of the currently-taxable tickets and parking included in the lease. According to the Milwaukee Brewers, Miller Park leases 20 Founders suites for \$100,000 per year and 52 Club suites \$85,000 per year. These luxury suite leases produce annual revenue of \$6.4 million. The lease of a suite includes 12-16 tickets and 4-5 parking spaces per game with an annual, estimated fair market value of about \$3.0 million. Thus, taxable revenue would increase about \$3.4 million (\$6.4 million - 3.0 million) under the bill.

Under the bill, sales taxes would increase by a total of about \$192,000 with state sales taxes accounting for about \$172,000 of the increase; Milwaukee County sales taxes accounting for about \$17,000; and baseball district sales taxes accounting for about \$3,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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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		\$192,000	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$192,000	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$192,000	\$20,000
Agency/Prepared By		Authorized Signature	Date
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