

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2052/1	Introduction Number AB-360
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Subject
 Coin-operated laundry services

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input checked="" type="checkbox"/> Decrease Revenue	
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others Stadium districts
 School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.835(4) (g), (gb) and (ge)	

Agency/Prepared By DOR/ Blair Kruger (608) 266-1310	Authorized Signature Dennis Collier (608) 266-5773	Date 6/10/2003
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Fiscal Estimate Narratives

DOR 6/10/2003

LRB Number	03-2052/1	Introduction Number	AB-360	Estimate Type	Original
Subject					
Coin-operated laundry services					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, laundry, dry cleaning, pressing and dyeing services are exempt from sales tax when performed using a coin-operated, self-service machine.

Under the bill, laundry, dry cleaning, pressing and dyeing services would also be exempt when performed using a self-service machine, regardless of the means of payment. In effect, the bill would expand the self-service laundry exemption to include debit cards, tokens, tickets and other non-coin means of payment.

According to the U.S. Bureau of the Census, nationwide receipts of coin-operated laundries were about \$4,433 million in 2001 and had increased about 7.2% per year on average from 1999 to 2001. Also, according to the Census, receipts of coin-operated laundries in Wisconsin were about 1.4% of national receipts in 1997.

According to the Wisconsin Self-Service Laundry Association, non-coin payments are about 2-3% of total receipts. Assuming non-coin payments are about 2.5% of total receipts and a 90% compliance rate, state sales taxes would decrease by about \$85,000 in FY04 and about \$90,000 in FY05 under the bill.

County, baseball park and football stadium sales taxes were about 7.3% of state sales taxes in FY02. Assuming this percentage remains constant, local sales taxes would decrease by about \$7,000 per year under the bill.

The administrative costs of the bill are minimal and would be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Coin-operated laundry services			
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-85,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-85,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-85,000	\$-7,000
Agency/Prepared By		Authorized Signature	
DOR/ Blair Kruger (608) 266-1310		Dennis Collier (608) 266-5773	
		Date	
		6/10/2003	