

Fiscal Estimate Narratives
DOR 1/29/2003

LRB Number	03-0722/1	Introduction Number	SB-6	Estimate Type	Original
Subject					
Sales and use tax exemption for game birds					

Assumptions Used in Arriving at Fiscal Estimate

Under SB 6, sales of game birds to game farms and game clubs would be exempt from sales and use tax.

According to the Department of Natural Resources (DNR), each year DNR sells to operators of game farms about 300,000 tags which are attached to pheasants before being removed from the farm. According to the Wisconsin Gamebird Preserve Association (WGPA), about 75% of pheasants purchased by game farms are removed from farms. Thus, an estimated 400,000 pheasants ($300,000 / .75$) are sold to game farms annually. Also according to WGPA, a mature game bird costs about \$7.50 on average. Therefore, estimated sales of game birds to game farms are about \$3,000,000 ($\$7.50 \times 400,000$) annually. In addition, according to the WGPA, about 40,000 chukar partridges, which do not require DNR tags, are purchased annually. Game farms pay about \$6 per chukar partridge and so total chukar partridge sales are estimated to be about \$240,000 ($\$6 \times 40,000$) per year. Total game bird sales are an estimated \$3,240,000 per year; therefore, under the bill, state sales taxes would decrease by about \$162,000 ($5\% \times \$3,240,000$) per year.

Distributions of county, baseball park and football stadium sales taxes were 7.268% of state sales taxes in FY02. Assuming this percentage remains constant, distributions of local sales taxes would decrease by about \$12,000 ($\$162,000 \times 7.268\%$) annually under the bill.

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

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Sales and use tax exemption for game birds			
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	\$	\$-162,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$-162,000	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-162,000	\$-12,000	
Agency/Prepared By		Authorized Signature	Date
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