Fiscal Estimate - 2005 Session

X	Original		Updated		Corrected		Supplemental		
LRB	Number	05-0917/1		Introd	uction Numb	oer A	B-348		
Subject Property tax exemption for property owned by Goodwill Industries									
Fiscal	Effect								
State: No State Fiscal Effect Indeterminate Increase Existing Appropriations Pecrease Existing Appropriations Appropriations Create New Appropriations Decrease Existing Revenues Decrease Existing Revenues Decrease Existing Revenues Decrease Costs - May be possible to absorb within agency's budget To absorb within agency's budget To absorb within agency's budget Decrease Costs Decrease Costs									
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Districts 5. Types of Local Government Units Affected Towns Village Counties Others School WTCS Districts									
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS									
Agend	y/Prepared	Ву		Authorized Si	gnature		Date		
DOR/ Milda Aksamitauskas (608) 261-5173 Denn					(608) 266-5773		12/8/2004		

Fiscal Estimate Narratives DOR 4/22/2005

LRB Number 05-0917/1	Introduction Number	AB-348	Estimate Type	Original					
Subject									
Property tax exemption for property owned by Goodwill Industries									

Assumptions Used in Arriving at Fiscal Estimate

Under current law, real and personal property is exempt from general property taxes if it is owned by any of the following charitable organizations: the Salvation Army, the Boy Scouts of America, the Boys' Clubs of America, the Girl Scouts or Camp Fire Girls, the Young Men's Christian Association or the Young Women's Christian Association. Also under current law, real and personal property owned and used exclusively by benevolent institutions is exempt from general property taxes.

Under this draft, Goodwill Industries would be added to the list of charitable organizations whose property is exempt from real and personal property taxes. The exemption would first apply to assessments as of January 1, 2005.

Based on a survey of assessors of municipalities in which Goodwill stores are located, the real and personal property owned by Goodwill Industries typically is exempt from property taxes under the exemption for benevolent institutions. In cases where Goodwill Industries leases space, often in a strip mall or shopping center, only Goodwill's personal property is exempt.

The survey found one instance where an apartment building owned by Goodwill Industries was only partially exempt. A one-bedroom apartment that is used by staff, a non-exempt purpose, in the otherwise exempt apartment building has been taxed since 1982. The apartment had an estimated market value of about \$40,000 in 2004 and property taxes of about \$800.

Although assessors typically exempt the property of Goodwill Industries as property of a benevolent institution, there is at least one exception. Based on the known exception, this draft would shift about \$800 in property taxes from Goodwill Industries to owners of taxable property.

State forestry taxes would decrease by about \$8 per year (\$40,000 x 0.0002) under the bill.

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

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

\boxtimes	Original		Updated			Corrected		Suppl	emental		
LRB	Number	05-0917	/1		Intro	duction Nu	ımber	AB-34	48		
Subje Prope		otion for prope	erty owned b	y G	oodwill Inc	dustries					
	-time Costs llized fiscal e	or Revenue I effect):	mpacts for	Sta	te and/or	Local Gover	rnment (d	lo not inc	lude in		
II. Anr	II. Annualized Costs:				Annualized Fiscal Impact on funds from:						
						Increased Co	sts	Decre	ased Costs		
A. Sta	te Costs by	Category				TART TO STATE OF THE STATE OF T			321		
Stat	e Operations	- Salaries an	d Fringes				\$				
(FTI	E Position Ch	anges)									
-		- Other Costs	S								
	al Assistance										
Aids	to Individual	s or Organiza	itions								
<u> </u>	OTAL State	Costs by Cat	tegory				\$	\$			
B. Sta	te Costs by	Source of Fu	ınds			·					
GPF	₹										
FED)						į				
PRO	D/PRS										
SEC	S/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 R	lev	Dec	reased Rev		
GPF	R Taxes					v	\$		\$		
GPF	R Earned		,		-						
FED)										
PRO	D/PRS										
	SEG/SEG-S								-8		
T	TOTAL State Revenues						\$	\$-8			
NET ANNUALIZED FISCAL IMPACT											
						<u>Sta</u>	ate	<u>Local</u>			
NET CHANGE IN COSTS						\$	\$				
NET CHANGE IN REVENUE					\$8		\$				
Agency/Prepared By Au				Au	uthorized Signature				Date		
DOR/ Milda Aksamitauskas (608) 261-5173 Denn					nnis Collie	er (608) 266-5	773		12/8/2004		