

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2350/3	Introduction Number AB-547
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Subject

Sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins used for livestock

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Stadium districts</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 7/7/2005

LRB Number	05-2350/3	Introduction Number	AB-547	Estimate Type	Original
Subject					
Sales and use tax exemptions for electricity used in agricultural biotechnology and for vitamins used for livestock					

Assumptions Used in Arriving at Fiscal Estimate

The bill exempts from sales and use tax vitamins, supplements, and hormones used on farm livestock. In addition, the bill defines "agricultural biotechnology" and exempts from sales and use tax electricity consumed in research or product development related to agricultural biotechnology. The bill would take effect on July 1, 2007 (FY08).

Data on sales of vitamins, supplements, and hormones used on farm livestock are not available. Data on sales of vitamins, supplements, and hormones used on farm livestock are aggregated with sales of feed, veterinary services and medicines, or miscellaneous expenditures such that a reliable estimate of the decrease in sales taxes that would begin in FY08 under the bill is not feasible.

Similarly, data enabling a reliable estimate of the electricity used in research and development related to agricultural biotechnology are not available. Thus, a reliable estimate of the decrease in sales taxes that would begin in FY08 under the bill is not feasible.

Administrative costs of the bill are minimal and would be absorbed by the Department. These costs would occur towards the end of the current biennium to prepare for the July 1, 2007 effective date of the exemption under the bill.

Long-Range Fiscal Implications