

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-2669/4		Introduction Number AB-718	
Subject Sales tax imposed on gun clubs			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> 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:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected	
2. <input type="checkbox"/> Decrease Costs		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others	
4. <input type="checkbox"/> Decrease Revenue		<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		
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 10/19/2005

LRB Number	05-2669/4	Introduction Number	AB-718	Estimate Type	Original
Subject					
Sales tax imposed on gun clubs					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a nonrefundable individual income tax credit for the amount of sales tax paid on gun-club memberships or admission to any activity that is open to the public and offered by a gun club, including safety classes, if the gun club is a nonprofit organization and if the gun club provides certain safety classes to at least 100 individuals per calendar year. The bill defines "safety classes" as all classes approved by the Department of Natural Resources (DNR) related to hunting, firearms, all terrain vehicles, boats, and snowmobiles. "Gun club" does not include a wild animal farm or bird hunting preserve licensed under ch. 169.

Gun clubs may include trapshooting clubs, skeet shooting clubs, sporting clay clubs, and rifle and pistol clubs. In addition, there are rod and gun clubs as well as sportsmen's clubs and conservation clubs. Including rod and gun, sportsmen's and conservation clubs, there are well over 100 gun clubs in Wisconsin, ranging in size from 10 to 3,000 members. Based on an Internet search of various clubs, gun club membership costs range from \$20 - 40 per year; assuming the average membership costs \$30 per year, state sales tax on each membership would be \$1.50. However, it is not known how many gun club members would claim the individual income tax credit under the bill and the decrease in individual income taxes that would occur under the bill is unknown.

DNR safety classes are educational services and, therefore, are not subject to sales tax. According to the DNR, 8,316 volunteer instructors trained over 54,500 students in hunter education, boat, snowmobile, and ATV safety in 2,000 courses in 2004. The DNR does not track numbers of students by gun club; thus, the number of clubs that would meet the 100-student threshold for the credit is unknown.

Both the amount of sales tax paid on activities sponsored by gun clubs and the number of individuals that would claim the credit under the bill are unknown. Thus, data are not available to estimate the decrease in individual income taxes under the bill.

Administrative costs of the bill would be absorbed by the Department.

Long-Range Fiscal Implications