

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1684/1	Introduction Number AB-234
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Subject
 Sales and use tax exemption for sales to veterans organizations

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		
<input type="checkbox"/> 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 DOR/ Blair Kruger (608) 266-1310	Authorized Signature Rebecca Boldt (608) 266-6785	Date 3/29/2005
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ATTACHMENT: STATE VETERANS ORGANIZATIONS UNDER 2005 AB 234

- American Legion (531 posts)
- American Veterans (AMVETS) National Headquarters
- Catholic War Veterans
- Disabled American Veterans
- Gold Star Wives of America
- Military Order of the Purple Heart
- National Association for Black Veterans
- National Association of State Directors of Veterans Affairs
- Navy Club of the U.S.A.
- Paralyzed Veterans of America
- Polish Legion of American Veterans-USA
- The Retired Enlisted Association
- Veterans of Foreign Wars (365 posts)
- Vietnam Veterans of America

Fiscal Estimate Narratives

DOR 3/30/2005

LRB Number	05-1684/1	Introduction Number	AB-234	Estimate Type	Original
Subject					
Sales and use tax exemption for sales to veterans organizations					

Assumptions Used in Arriving at Fiscal Estimate

The bill exempts from sales and use taxes sales to Wisconsin chapters or affiliates of national veterans organizations that are chartered by the US Congress.

Based on the websites of veterans organizations, about 14 organizations appear to qualify for the exemption under the bill. The 14 organizations are listed on the attachment to the fiscal estimate. With the exception of the American Legion and the Veterans of Foreign Wars, taxable purchases of veterans organizations appear to consist largely of office supplies and the revenue decrease due to decreased sales of office supplies under the bill would likely be minimal.

The American Legion and Veterans of Foreign Wars have about 900 posts in the state. These posts purchase furniture and equipment to support a variety of programs and services, for example, many posts offer fish fries which require kitchen equipment and restaurant supplies. Data regarding the currently taxable purchases of these organizations that would become exempt under the bill are not available.

County and stadium sales and use taxes were about 7.72% of state sales and use taxes in FY04. These local sales taxes would also decrease under the bill.

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

Long-Range Fiscal Implications