



## Fiscal Estimate Narratives

DOR 5/23/2005

LRB Number	<b>05-2905/1</b>	Introduction Number	<b>AB-413</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Sales tax exemption for coin-operated laundry services to include all self-service laundry services					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, laundry, dry cleaning, pressing and dyeing services are exempt from sales tax when performed using a coin-operated, self-service machine.

Under the bill, laundry, dry cleaning, pressing and dyeing services would also be exempt, regardless of the means of payment, when performed using a self-service machine. In effect, the bill would expand the self-service laundry exemption to include debit cards, smart cards, tokens, and other non-coin means of payment.

According to the U.S. Bureau of the Census, nationwide receipts of coin-operated laundries were about \$3,485 million in 2003. Receipts of coin-operated laundries decreased slightly from 2001 to 2003 and, therefore, no growth in receipts is assumed over the next biennium. Also according to the Census, receipts of coin-operated laundries in Wisconsin were about 1.5% of national receipts in 1997.

According to the Wisconsin Self-Service Laundry Association, non-coin payments are about 2-3% of total receipts. Assuming non-coin payments are about 2.5% of total receipts and a 90% compliance rate, state sales taxes would decrease by about \$60,000 in each year of the biennium.

County, baseball park and football stadium sales taxes were about 7.7% of state sales taxes in FY04. Assuming this percentage remains constant, local sales taxes would decrease by about \$5,000 per year under the bill.

The administrative costs of the bill are minimal and would be absorbed.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-2905/1		<b>Introduction Number</b> AB-413	
<b>Subject</b>			
Sales tax exemption for coin-operated laundry services to include all self-service laundry services			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$-60,000
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-60,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-60,000	\$-5,000
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
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		<b>Date</b>	
		5/23/2005	