

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-4196/1		Introduction Number SB-560	
Description The amount of sales and use taxes that a retailer may retain for administrative purposes			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease 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"/> Decrease Costs			
Local:			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
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
DOR/ Paul Ziegler (608) 266-5773		Paul Ziegler (608) 266-5773	3/14/2008

Fiscal Estimate Narratives
DOR 3/14/2008

LRB Number 07-4196/1	Introduction Number SB-560	Estimate Type Original
Description The amount of sales and use taxes that a retailer may retain for administrative purposes		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, retailers may deduct the greater of \$10 per return or 0.5% of the total amount of sales and use taxes payable as compensation for the costs of timely collecting and reporting the tax. This amount, known as the "retailer's discount" is based on the total of state, county and stadium district sales and use taxes reported to the department.

Under the bill, retailers may deduct a maximum of \$1,000 per return.

The bill would affect the retailer's discount for sales and use tax returns reporting taxes of \$200,000 (\$1,000/0.5%) or more -- about 1,900 sales tax returns in FY07. Retailer's discounts applicable to the 1,900 returns totaled \$7.7 million in FY07. If the bill had been in effect in FY07, retailer's discounts for these returns would have totaled \$1.9 million (\$1,000 x 1,900), state revenues would have been \$5.4 million higher and county and stadium district revenues would have been \$0.4 million higher. Based on the current forecast of state sales and use tax growth, the increase in state revenues under the bill would be \$5.5 million in FY09 if the bill were in effect for the entire fiscal year.

Administrative costs would be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-4196/1		Introduction Number SB-560	
Description The amount of sales and use taxes that a retailer may retain for administrative purposes			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$5,500,000	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$5,500,000	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$5,500,000	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Paul Ziegler (608) 266-5773		Paul Ziegler (608) 266-5773	3/14/2008