Fiscal Estimate - 2009 Session

X	Original		Updated		Corrected		Supple	emental
LRB	Number	09-0806/3)	Introd	luction N	Number	AB-097	'6
Descr A sale equipr	s and use tax	exemption for	medical physics	performan	ce testing (of medical ir	maging and	therapeutic
Fiscal	Effect							
	No State Fisco Indeterminate Increase I Appropria Decrease Appropria Create Ne	e Existing tions Existing	Revenue Decreas Revenue	e Existing		Increase Co to absorb w Ye Decrease C	rithin agency es	
	No Local Gov Indeterminate 1. Increase Permiss 2. Decrease	e Costs sive 🔲 Mandato	3. ☐ Increase ory ☐ Permissi 4. ☑ Decreas		datory	Types of Loc Government Affected Towns Counties School Districts	Units	stadium districts
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS								
Agend	y/Prepared	Ву	Au	thorized S	Signature			Date
				ul Ziegler (Ziegler (608) 266-5773			6/8/2010

Fiscal Estimate Narratives DOR 6/8/2010

LRB Number	09-0806/3	Introduction Number	AB-0976	Estimate Type	Original
Description A sales and us equipment	se tax exemption for r	nedical physics perforn	nance testing	of medical imagir	ng and therapeutic

Assumptions Used in Arriving at Fiscal Estimate

This bill provides a sales and use tax exemption for medical physics performance testing of medical imaging and therapeutic equipment if the testing is required under federal law. The exemption under the bill is effective on the first day of the 2nd month beginning after publication.

The Department of Revenue does not have information to directly evaluate the revenue loss that would be created by the bill. According to the Wisconsin Department of Health Services, however, there are 52 hospitals with 100 or more beds in Wisconsin. Assuming each of these hospitals spend \$100,000 annually on medical physics performance testing of medical imaging and therapeutic equipment, the bill would result in a \$260,000 (\$100,000 x 52 x .05) decrease in state sales and use tax.

The inclusion in this estimate of testing at medical clinics, smaller hospitals, testing on veterinary or dental equipment, and expansions of federal requirements for medical physics testing would increase the estimated state revenue loss.

For FY09, county and stadium sales tax revenues were approximately 8.0% of state sales tax. Assuming this percentage remains constant, the bill would create a revenue loss to local governments of approximately \$20,800 (\$260,000 x .08).

The Department of Revenue's administrative costs under the bill can be absorbed within existing expenditure authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original Dydated	Corrected	Supplemental						
LRB Number 09-0806/3	Introduction Num	ber AB-0976						
Description A sales and use tax exemption for medical therapeutic equipment	physics performance testing of	medical imaging and						
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):								
II. Annualized Costs:	Annualized Fis	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 revenues (e.g., tax increase, decrease in		r decrease state						
	Increased Rev	Decreased Rev						
GPR Taxes	\$	\$-260,000						
GPR Earned								
FED								
PRO/PRS								
SEG/SEG-S								
TOTAL State Revenues	\$	\$-260,000						
NET ANN	UALIZED FISCAL IMPACT							
	State	Local						
NET CHANGE IN COSTS	\$	\$						
NET CHANGE IN REVENUE	\$-260,000	-\$20,800						
Agency/Prepared By	Authorized Signature	Date						
DOR/ Robert Schmidt (608) 267-9892	Paul Ziegler (608) 266-5773	6/8/2010						