



## Fiscal Estimate Narratives

DOR 6/8/2010

LRB Number	<b>09-0806/3</b>	Introduction Number	<b>AB-0976</b>	Estimate Type	<b>Original</b>
<b>Description</b> A sales and use tax exemption for medical physics performance testing of medical imaging and therapeutic equipment					

### 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 ( $\$100,000 \times 52 \times .05$ ) 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 ( $\$260,000 \times .08$ ).

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     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 09-0806/3		<b>Introduction Number</b> AB-0976	
<b>Description</b> A sales and use tax exemption for medical physics performance testing of medical imaging and therapeutic equipment			
<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, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$-260,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-260,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
<b>NET CHANGE IN COSTS</b>	<b>\$</b>		<b>\$</b>
<b>NET CHANGE IN REVENUE</b>	<b>\$-260,000</b>		<b>-\$20,800</b>
<b>Agency/Prepared By</b>			
DOR/ Robert Schmidt (608) 267-9892		<b>Authorized Signature</b>	<b>Date</b>
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