

### Fiscal Estimate - 2015 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>15-2751/1</b>	<b>Introduction Number</b> <b>SB-227</b>
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**Description**  
Sales and use tax exemption for building materials that become a part of a facility for a local unit of government or nonprofit organization

**Fiscal Effect**

**State:**

No State Fiscal Effect

Indeterminate

Increase Existing Appropriations

Decrease Existing Appropriations

Create New Appropriations

Increase Existing Revenues

Decrease Existing Revenues

Increase Costs - May be possible to absorb within agency's budget

Yes       No

Decrease Costs

**Local:**

No Local Government Costs

Indeterminate

1.  Increase Costs      3.  Increase Revenue

Permissive  Mandatory       Permissive  Mandatory

2.  Decrease Costs      4.  Decrease Revenue

Permissive  Mandatory       Permissive  Mandatory

5. Types of Local Government Units Affected

Towns       Village       Cities

Counties       Others

School Districts       WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DPI/ Erin Fath (608) 266-2804	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 8/21/2015
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## Fiscal Estimate Narratives

DPI 8/21/2015

LRB Number	<b>15-2751/1</b>	Introduction Number	<b>SB-227</b>	Estimate Type	<b>Original</b>
<b>Description</b> Sales and use tax exemption for building materials that become a part of a facility for a local unit of government or nonprofit organization					

### Assumptions Used in Arriving at Fiscal Estimate

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a county, municipality, school district, or nonprofit organization is exempt from the sales tax and the use tax. The exemption applies to tangible personal property purchased by a construction contractor who transfers the property to the county, municipality, school district, or nonprofit organization as part of constructing the facility.

Under current law, counties, municipalities, school districts, and nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. Currently, a construction contractor hired by the county, municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a county, municipality, school district, or nonprofit organization construction project.

### Long-Range Fiscal Implications

The Department of Public Information does not possess data that could be used to estimate the fiscal effect of this bill on school districts.