

### Fiscal Estimate - 2015 Session

Original       Updated       Corrected       Supplemental

|                             |                                    |
|-----------------------------|------------------------------------|
| LRB Number <b>15-4035/2</b> | Introduction Number <b>AB-0960</b> |
|-----------------------------|------------------------------------|

|   |
|---|
| <b>Description</b><br>Grants for firearm buyback programs and making an appropriation |
|---|

|  |  |
|--|--|
| <b>Fiscal Effect</b>   |  |
| <b>State:</b>  |  |
| <input type="checkbox"/> No State Fiscal Effect  |  |
| <input type="checkbox"/> Indeterminate   |  |
| <input type="checkbox"/> Increase Existing Appropriations  | <input type="checkbox"/> Increase Existing Revenues  |
| <input type="checkbox"/> Decrease Existing Appropriations  | <input type="checkbox"/> Decrease Existing Revenues  |
| <input checked="" type="checkbox"/> Create New Appropriations  | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
|  | <input type="checkbox"/> Decrease Costs  |
| <b>Local:</b>  |  |
| <input type="checkbox"/> No Local Government Costs   |  |
| <input type="checkbox"/> Indeterminate   |  |
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory   |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory   |
|  | 5. Types of Local Government Units Affected<br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |

|   |                                       |
|---|---------------------------------------|
| <b>Fund Sources Affected</b>  | <b>Affected Ch. 20 Appropriations</b> |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.455 (2) (gs) |                                       |

|  |  |                          |
|--|--|--------------------------|
| <b>Agency/Prepared By</b><br>DOR/ Travis Arthur (608) 266-8565 | <b>Authorized Signature</b><br>Robert Schmidt (608) 266-5773 | <b>Date</b><br>3/14/2016 |
|--|--|--------------------------|

## Fiscal Estimate Narratives

DOR 3/14/2016

|   |                  |                     |                |               |                 |
|---|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number  | <b>15-4035/2</b> | Introduction Number | <b>AB-0960</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>Grants for firearm buyback programs and making an appropriation |                  |                     |                |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

The bill creates a 20 percent fee, imposed by the Department of Revenue, on the purchase of firearms and ammunition between July 1, 2017 and June 30, 2019. The proceeds from the fee will fund a firearm buyback program administered by the Department of Justice.

According to the US Census Bureau's 2012 Economic Census, Wisconsin sales of firearms, hunting equipment, and supplies (product line 20536) totaled \$123.6 million in 2012. Assuming firearms and ammunition make up 80 percent of these sales, the department estimates taxable sales of firearms and ammunition to be \$98.9 million in 2012.

Based on data from the FBI's National Instant Criminal Background Check System, background checks for firearms will increase 8.2% on an annual basis from 2011 to 2016. Assuming Wisconsin sales of product line 20536 increase at the same rate through 2019, taxable sales are estimated to be \$152.5 million in FY18 and \$164.9 in FY19.

Total fee revenue collected between July 1, 2017 and June 30, 2019 is estimated to be \$63.5 million (\$30.5 million in FY18 and \$33.0 million in FY19).

The Department of Revenue's administrative costs under the bill are estimated to be \$42,500 and could be absorbed within existing budget authority.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

|  |  |                               |
|--|--|-------------------------------|
| <b>LRB Number</b> <b>15-4035/2</b>   | <b>Introduction Number</b> <b>AB-0960</b>      |                               |
| <b>Description</b><br>Grants for firearm buyback programs and making an appropriation  |  |                               |
| <b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>                                |  |                               |
| One-time cost of \$42,650 for programming changes to WINPAS, the DOR tax software system.  |  |                               |
| <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  | \$   | \$                            |
| GPR Earned   |  |                               |
| FED  |  |                               |
| PRO/PRS (20.455(2)(gs))  | 33,000,000                                     |                               |
| SEG/SEG-S  |  |                               |
| <b>TOTAL State Revenues</b>  | <b>\$33,000,000</b>                            | <b>\$</b>                     |
| <b>NET ANNUALIZED FISCAL IMPACT</b>  |  |                               |
|  | <u>State</u>                                   | <u>Local</u>                  |
| NET CHANGE IN COSTS  | \$   | \$                            |
| NET CHANGE IN REVENUE  | \$33,000,000                                   | \$                            |
| <b>Agency/Prepared By</b>  |  |                               |
| <b>Authorized Signature</b>  |  | <b>Date</b>                   |
| DOR/ Travis Arthur (608) 266-8565  |  | Robert Schmidt (608) 266-5773 |
|  |  | 3/14/2016                     |