

Fiscal Estimate Narratives

DOR 3/20/2017

LRB Number	17-1626/1	Introduction Number	AB-0149	Estimate Type	Original
Description Sales and use tax exemption for the sale of gun safes					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a sale/use tax exemption for the sale and purchase of guns safes that are specifically designed for the storage of guns.

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. Based on data from Wisconsin sales and use tax returns, taxable sales for sporting goods stores (NAICS 45111 – the primary sales location of product line 20536) increased 2.6% from 2012 to 2016. Assuming Wisconsin sales of product line 20536 increased at the same rate, taxable sales were \$126.9 million in 2016. Further assuming that gun safes represent 5% of sales within product line 20536, taxable sales of gun safes reached approximately \$6.34 million in 2016. Under these assumptions, a sales/use tax exemption for gun safes would reduce state sales/use tax collections by approximately \$317,000 on an annual basis.

County and stadium taxes were 7.7% of state sales taxes in FY16. Assuming this percentage does not change, county and stadium sales and use taxes would decrease by \$24,400 annually.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1626/1		Introduction Number AB-0149	
Description Sales and use tax exemption for the sale of gun safes			
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, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$-317,000	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$-317,000	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$-317,000	-\$24,400	
Agency/Prepared By		Authorized Signature	Date
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