

### Fiscal Estimate - 2021 Session

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> <b>21-3555/1</b>	<b>Introduction Number</b> <b>AB-0700</b>
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**Description**  
 sales and use tax exemption for breastfeeding equipment

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government Units Affected</b>	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" 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> DOR/ Travis Arthur (608) 266-8565	<b>Authorized Signature</b> Jamie Adams (608) 266-6785	<b>Date</b> 11/12/2021
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## Fiscal Estimate Narratives

DOR 11/12/2021

LRB Number	<b>21-3555/1</b>	Introduction Number	<b>AB-0700</b>	Estimate Type	<b>Original</b>
<b>Description</b> sales and use tax exemption for breastfeeding equipment					

### Assumptions Used in Arriving at Fiscal Estimate

The bill creates a temporary sales and use tax exemption for breast pumps, breast pump kits, and breast pump storage and collection supplies. The exemption sunsets June 30, 2025.

The Wisconsin Department of Health Services, reports Wisconsin had 60,615 births in 2020. According the Centers of Disease Control (CDC) Breastfeeding Report Card, the breastfeeding rate for Wisconsin in 2017 was 82.8%. Assuming these rates remain constant, the department assumes 50,189 ( $60,615 * 82.8\%$ ) mothers will breastfeed in 2022.

Currently, the most common way to obtain a breast pump and accessories is through insurance. In addition, eligible women may obtain a breast pump through the state's Women, Infants and Children (WIC) program which are exempt from sales tax.

The department estimates 10% of mothers will obtain a breast pump through state programs such as WIC which are not subject to sales tax. Therefore, the department estimates taxable breast pumps to be 45,170.

According to Parents.com breast pumps vary in price from about \$50 to more than \$400. Assuming the average annual amount spent on a breast pump and accessories is \$300, the department estimates sales and use tax collections to decrease by about \$678,000 ( $40,170 * 300 * 5\%$ ) under the bill.

County sales and use taxes were 8.3% of state sales and use taxes in FY 2021. Assuming this percentage does not change, county tax collections would decrease by \$56,000 ( $\$678,000 * 8.3\%$ ) per year under the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> <b>21-3555/1</b>	<b>Introduction Number</b> <b>AB-0700</b>	
<b>Description</b> sales and use tax exemption for breastfeeding 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, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$-678,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-678,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-678,000	-\$56,000
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Travis Arthur (608) 266-8565	Jamie Adams (608) 266-6785	11/12/2021