

Fiscal Estimate Narratives

DOR 7/18/2023

LRB Number	23-3408/1	Introduction Number	AB-0348	Estimate Type	Original
Description the creation of a local exposition district by the City of Superior					

Assumptions Used in Arriving at Fiscal Estimate

The bill permits the City of Superior to establish a local exposition district similar to that of the Milwaukee Exposition District. The district would be permitted to impose a food and beverage tax and a room tax subject to a maximum rate of 2.0%. The room tax would be in addition to any room tax imposed by the City of Superior.

The local fiscal effect depends on the taxes imposed and the rates set by the district.

Based on the ratio of food and beverage tax collections to general county sales tax collections in Milwaukee County, US Census Bureau information on the share of county retail sales that occur within the city, and county sales tax collections for Douglas County, the department estimates that a 0.5% food and beverage tax could generate roughly \$573,000 for the City of Superior.

Based on current room tax collections and rates in Superior, the department estimates that a 2.0% room tax would generate \$304,000 for the City of Superior.

The bill would result in a one-time administrative cost of \$43,400 to update the state's tax processing system along with system testing and audit functions. The department cannot absorb these costs with existing resources.

Under current law, the department administers the local food and beverage tax with the support of a 2.55% administrative fee. Ongoing administrative costs of \$53,400 would not be covered by the fee revenue. Assuming a 0.5% food and beverage tax generates \$573,000 on an annual basis, the administrative fee revenue would be approximately \$14,600.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description the creation of a local exposition district by the City of Superior			
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$See Text
Agency/Prepared By		Authorized Signature	Date
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