

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-3332/1</b>	<b>Introduction Number</b> <b>AB-0353</b>	
<b>Description</b> creating a sales and use tax exemption for the sale of certain memberships to a real estate broker		
<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"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <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      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 5. Types of Local Government Units Affected <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		
<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> Robert Schmidt (608) 266-5773	<b>Date</b> 7/18/2023

## Fiscal Estimate Narratives

DOR 7/18/2023

LRB Number	23-3332/1	Introduction Number	AB-0353	Estimate Type	Original
<b>Description</b> creating a sales and use tax exemption for the sale of certain memberships to a real estate broker					

### Assumptions Used in Arriving at Fiscal Estimate

The bill creates a sales and use tax exemption for the sale of a membership to a licensed real estate broker who, pursuant to the membership agreement, offers to compensate and cooperate with other real estate brokers in brokering sales of properties.

According to the Occupational Employment and Wage Statistics from the Bureau of Labor Statistics, there are approximately 3,750 real estate brokers or agents in Wisconsin. Industry data suggests membership dues vary by MLS region, however assuming the average annual dues paid is \$200, the department estimates forgone sales and use tax revenue to be about \$37,500 on an annual basis.

County taxes were 8.1% of state sales taxes in FY22. Assuming this percentage does not change, county sales and use taxes would decrease by \$3,000.

The actual decrease in sales tax collections is expected to be minimal given the level of compliance by affected parties under current law.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
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<b>LRB Number</b> <b>23-3332/1</b>	<b>Introduction Number</b> <b>AB-0353</b>
<b>Description</b> creating a sales and use tax exemption for the sale of certain memberships to a real estate broker	
<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. 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, ets.)</b>	
	Increased Rev      Decreased Rev
GPR Taxes	\$      \$-37,500
GPR Earned	
FED	
PRO/PRS	
SEG/SEG-S	
<b>TOTAL State Revenues</b>	<b>\$      \$-37,500</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>	
	<u>State</u> <u>Local</u>
NET CHANGE IN COSTS	\$      \$
NET CHANGE IN REVENUE	\$-37,500      -\$3,000
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
DOR/ Travis Arthur (608) 266-8565	Robert Schmidt (608) 266-5773
	<b>Date</b>
	7/18/2023