

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-3879/1	Introduction Number AB-0371
Description exempting personal property from the tax imposed on telephone companies	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <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 type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <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	
Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Cari Redington (608) 266-2943
Date 1/17/2024	

Fiscal Estimate Narratives

DOR 1/17/2024

LRB Number 23-3879/1	Introduction Number AB-0371	Estimate Type Updated
Description exempting personal property from the tax imposed on telephone companies		

Assumptions Used in Arriving at Fiscal Estimate

Beginning with 2024 assessments (Assembly Amendment 1), the bill exempts from the tax on a telephone company the company's tangible personal property.

Based on 2023 tax assessments, tangible personal property represented \$3.21 billion (90.6 percent) of the total \$3.54 billion assessment. 2023 tax assessments increased approximately 15 percent compared with 2022 assessment used in the original fiscal estimate. Under current law, the department estimates telephone tax revenues of \$59.9 million in FY 2024 and \$52.1 million in FY 2025. Under the bill, revenues are estimated to drop by -\$26.9 million to \$33.1 million in FY 2024 and -\$47.2 million to \$4.9 in FY 2025. Ongoing revenues for FY 2026 and beyond would be estimated around \$5 million.

The department cannot absorb \$22,700 in one-time administrative costs for computer programming changes.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description exempting personal property from the tax imposed on telephone companies		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$22,700 for administrative costs.		
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	\$	\$-47,221,300
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$-47,221,300
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-47,221,300	\$
Agency/Prepared By Authorized Signature Date		
DOR/ Craig Steinfeldt (608) 266-5705	Cari Redington (608) 266-2943	1/17/2024