

Fiscal Estimate Narratives

DOR 1/17/2024

LRB Number	23-3089/1	Introduction Number	SB-0323	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 (Senate 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

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-3089/1	Introduction Number SB-0323	
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		
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