

Fiscal Estimate Narratives

DOR 2/12/2025

LRB Number	25-0901/1	Introduction Number	AB-0010	Estimate Type	Original
Description a sales and use tax exemption for the sale of gun safes					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a sale/use tax exemption for the sale and purchase of gun safes that are specifically designed for the storage of guns.

Based on data from Econ Market Research, and assuming Wisconsin's share of US gun safe sales is proportionate to the state's share of nationwide firearm background checks, as reported by the Federal Bureau of Investigation, annualized Wisconsin sales of gun safes are projected to reach \$14.2 million in FY26. As a result, the state would see a decrease in sales and use tax revenue of \$720,000.

The estimate may be overstated or understated to the extent certain safes and storage products fall within or outside the definition prescribed by the bill. Reviewing estimates from other states, such as Texas, Maine, or Georgia and adjusting for tax rate and population differentials yields similar results.

Local sales and use taxes were 12% of state sales taxes in 2024. Assuming this percentage does not change, county and city sales and use taxes would decrease by \$86,000 on a statewide annualized basis in FY26.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description a sales and use tax exemption for the sale of gun safes		
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	\$	\$-720,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$-720,000
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-720,000	-\$86,000
Agency/Prepared By	Authorized Signature	Date
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