

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 25-1464/1	Introduction Number SB-0012
Description a sales and use tax exemption for the sale of gun safes	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><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</div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 50%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div></div><input checked="" type="checkbox"/> Cities</div></div>	

Fiscal Estimate Narratives

DOR 2/12/2025

LRB Number	25-1464/1	Introduction Number	SB-0012	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

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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	\$
GPR Earned	\$-720,000
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	\$-720,000 -\$86,000
Agency/Prepared By	Authorized Signature
DOR/ Robert Schmidt (608) 266-5773	Robert Schmidt (608) 266-5773
	Date
	2/12/2025