

Fiscal Estimate Narratives

DOR 4/22/2025

LRB Number	25-2526/1	Introduction Number	SB-0185	Estimate Type	Original
Description property tax exemption for nonprofit theaters					

Assumptions Used in Arriving at Fiscal Estimate

The bill modifies the current law property tax exemption for nonprofit outdoor theaters. Under the bill, the exemption applies to property owned or leased by a nonprofit organization that includes one or more theaters for performing theater arts, regardless of whether the theaters are outdoors or indoors. In addition, in order to claim the exemption, the total capacity of the theaters must be not less than 240 persons and the IRS must have confirmed the organization's federal tax exempt status in a determination letter issued no later than October 1, 1990.

Under the bill, Northern Sky Theater in the Town of Gibraltar (Door County) could qualify for a property tax exemption. In 2024, Northern Sky Theater had an assessed value of \$4,359,600 with net property taxes of \$35,552. The bill would shift the exempted property value to other taxable properties. Under the bill, the 2024 net property tax rate would increase by approximately 0.36 percent and result in an estimated property tax increase of \$14 (\$3,883 versus \$3,869) on a \$533,000 median value home.

The bill has no fiscal effect on tax increments.

The bill has no state fiscal effect.

Long-Range Fiscal Implications