

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1614/1

INTRODUCTION # AB 187

Admin. Rule #

Subject

Exempt from Sales Tax All Self-Service Laundry and Dry Cleaning Services

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No

 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others Baseball Park and Football Stadium Districts
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.566 (1)(a)

Assumptions Used in Arriving at Fiscal Estimate:

Current law exempts from sales tax laundry services performed by a customer in a coin-operated, self-service laundry or dry cleaner. The bill extends the exemption to all self-service laundry and dry cleaning services.

According to the 1997 Economic Census for Wisconsin, coin-operated laundries and drycleaners had receipts of \$53.5 million in 1997. Assuming receipts increased by an annual average of 2.5%, coin-operated laundry and drycleaner receipts would be about \$59.0 million in 2001.

According to the Wisconsin Self-Service Laundry Association, non-coin receipts include payments by tokens, debit or credit cards, or tickets, and account for about 3% of coin-operated laundry and drycleaner receipts. Thus, state sales tax revenues would decrease by about \$90,000 (\$59.0 million x 3% x 5%) under the bill.

County and special district sales tax revenues would decrease by a minimal amount under the bill.

The Department would incur one-time costs of \$56,100 to notify retailers of the new exemption. The bill does not provide funding for this amount.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun <i>Yeang-Eng Braun</i> (608) 266-2700	3/19/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$56,100 GPR-Expenditure

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe (FTE Position Changes)	\$ (FTE)	\$ - (- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
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	\$	\$ - 90,000
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 90,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ -90,000	\$ minimal decrease

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