

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1088/1
INTRODUCTION # SB 16
Admin. Rule #

Subject
Sales Tax Treatment of Sales of Lists

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. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input checked="" type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> 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

Assumptions Used in Arriving at Fiscal Estimate:

This bill would define certain mailing lists as tangible personal property and thus subject them to state and local sales and use taxes. Any mailing list in written or printed form, stored in machine-readable form or stored or transferred in intangible form, and Wisconsin Department of Transportation registration lists would be considered tangible personal property and thus subject to tax.

Based on data from the Direct Marketing Association, US sales of mailing lists in state FY02 are estimated to be \$1,507 million. Assuming that Wisconsin's share of these sales is the same as its share of sales by electronic shopping and mail-order houses, or 3.5%, and that 90% of these sales are currently exempt and would become taxable, and applying the state's 5% sales tax rate, the state would see a revenue gain of \$2.4 million (\$1,507 million X 3.5% X 90% X 5%).

Taxes imposed by counties and baseball park and football stadium districts in FY02 are estimated to be 7.064% of state sales taxes. Thus, this bill would increase local sales tax revenues by an estimated \$170,000 (\$2.4 million X 7.064%).

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Dennis Collier, (608) 266-5773	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	1/31/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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Sales Tax Treatment of Sales of Lists

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 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	\$ 2.4 million	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ 2.4 million	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ +2.4 million	\$ +170,000

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