

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2685/1	Introduction Number SB-203
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Subject
 Sales tax exemption for coin-operated laundry services to include all self-service laundry services

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations				

Local:

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input checked="" type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Stadium districts</u>
				<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

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Fiscal Estimate Narratives

DOR 5/23/2005

LRB Number	05-2685/1	Introduction Number	SB-203	Estimate Type	Original
Subject					
Sales tax exemption for coin-operated laundry services to include all self-service laundry services					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, laundry, dry cleaning, pressing and dyeing services are exempt from sales tax when performed using a coin-operated, self-service machine.

Under the bill, laundry, dry cleaning, pressing and dyeing services would also be exempt, regardless of the means of payment, when performed using a self-service machine. In effect, the bill would expand the self-service laundry exemption to include debit cards, smart cards, tokens, and other non-coin means of payment.

According to the U.S. Bureau of the Census, nationwide receipts of coin-operated laundries were about \$3,485 million in 2003. Receipts of coin-operated laundries decreased slightly from 2001 to 2003 and, therefore, no growth in receipts is assumed over the next biennium. Also according to the Census, receipts of coin-operated laundries in Wisconsin were about 1.5% of national receipts in 1997.

According to the Wisconsin Self-Service Laundry Association, non-coin payments are about 2-3% of total receipts. Assuming non-coin payments are about 2.5% of total receipts and a 90% compliance rate, state sales taxes would decrease by about \$60,000 in each year of the biennium.

County, baseball park and football stadium sales taxes were about 7.7% of state sales taxes in FY04. Assuming this percentage remains constant, local sales taxes would decrease by about \$5,000 per year under the bill.

The administrative costs of the bill are minimal and would be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
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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		\$	\$-60,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-60,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-60,000	\$-5,000
Agency/Prepared By		Authorized Signature	Date
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