

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-1071/1	Introduction Number SB-526	
Description Authorizing the village of Stockholm to become a premier resort area		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 2/24/2010

LRB Number	09-1071/1	Introduction Number	SB-526	Estimate Type	Original
Description Authorizing the village of Stockholm to become a premier resort area					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

The governing body of a municipality or county may, by two-thirds vote, enact an ordinance declaring that it is a "premier resort area" if a least 40% of the equalized value of taxable property within its borders can be classified as belonging to "tourism-related retailers". Under sec. 66.1113, a retailer is deemed to be a "tourism-related retailer" if, based on the classification system under the Standard Industrial Manual issued in 1987 by the U. S. Office of Management and Budget, the retailers sales place it in one of the following standard industrial codes (SIC): (a) 5331 – variety stores; (b) 5399 – miscellaneous general merchandise stores; (c) 5441 – candy, nut, and confectionary stores; (d) 5451 - dairy product stores, (e) 5461 – retail bakeries, (f) 5541 – gasoline service stations; (g) 5812 – eating places; (h) 5813 – drinking places; (i) 5912 – drug stores and proprietary stores; (j) 5921 – liquor stores; (k) 5941 – sporting good stores and bicycle shops, (l) 5946 – camera and photographic supply stores, (m) 5947 – gift, novelty, and souvenir shops, (n) 7011 – hotels and motels; (o) 7032 – sporting and recreational camps, (p) 7033 – recreational vehicle parks and campsites, (q) 7948 – racing, including racing track operations, (r) 7992 – public golf courses, (s) 7993 - coin-operated amusement devices, (t) 7996 – amusement parks, and (u) 7999- other amusement and recreational services.

Under sec. 77.994, a "premier resort area" tax may be imposed on sales that are subject to the state sales tax by retailers in the SIC codes noted in the paragraph above plus retailers in the following SIC codes: (a) 5311 – department stores, (b) 5499 – miscellaneous food stores, (b) 5611 – men's and boy's clothing and accessory stores, (d) 5651 – women's clothing stores, (e) 5632 – women's accessory and specialty stores, (e) 5641 – children's and infant's wear stores, (f) 5651 – family clothing stores, (g) 5661 – shoe stores. (h) 5699 – miscellaneous apparel and accessory stores, (i) 5942 – bookstores, (j) 5943 - stationery stores, (k) 5944 – jewelry stores, (l) 5945 - hobby, toy, and game shops, (m) 5948 – luggage and leather goods stores, (n) 5949 – sewing, needlework, and piece goods stores, (o) 5992 – florists, (p) 5993 – tobacco stores and stands, (q) 5994 – news dealers and newsstands, (r) 5999 – miscellaneous retail stores, (s) 7922 – theatrical producers and miscellaneous theatrical services (except motion pictures), (t) 7929 - bands, orchestras, actors, and other entertainers and entertainment groups, and (u) 7991 – physical fitness facilities.

The premier resort area tax can be imposed at a rate of 0.5%. (The Village of Lake Delton and the City of Wisconsin Dells may impose this tax at a rate of 1.0%.) The premier resort area tax is on sales only; it does not include a use tax. When a premier resort area tax is imposed, the municipality or county must notify the Department of Revenue (DOR) at least 120 days before the effective date of the tax. The tax may start on the first day of a calendar quarter. DOR retains 3.0% of premier resort area tax collections to cover its administrative costs.

Four municipalities have been allowed to declare themselves to a premier resort area and therefore impose the premier resort area despite not having sufficient commercial property to qualify. For the cities of Bayfield and Eagle River, the municipal boards approved resolutions to take advantage of the exception granted them by state law. For the Villages of Ephraim and Sister Bay, the designation as a premier resort area requires the approval of the municipal boards and voters at a referendum. Neither of these two villages has (as of date this fiscal note was written) enacted the tax.

PROPOSED LAW

Under the bill, the Village of Stockholm (Pepin County) may declare itself a premier resort area. The designation of the village as a premier resort area and the imposition of the premier resort area tax would require approval of both the Village Board and voters at a referendum.

Pepin County imposes the 0.5% county sales tax. Remittances to the county in 2009 were \$349,092.

Because of the small size of the Village of Stockholm (estimated 2009 population of 96), the small number of retail establishments in the Village, and limitations on the release of data for individual taxpayers, the Department of Revenue is unable to provide an estimate of how much revenue the Village of Stockholm could generate from a premier resort area tax.

The Department's costs would be absorbed by the 3.0% of collections it would retain to administer this tax.

Long-Range Fiscal Implications