

Fiscal Estimate Narratives

DOR 7/21/2017

LRB Number	17-2791/1	Introduction Number	SB-359	Estimate Type	Original
Description Badger Health Benefit Authority, health benefit exchange operation, granting rule-making authority, and providing a criminal penalty					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a Wisconsin Health Benefit Exchange, administered by the Badger Health Benefit Authority. All property owned the authority would be exempt from property taxes, provided that the use is primarily related to the purposes of the authority. The bill also creates a franchise tax exemption for the authority and a sales tax exemption for purchases made by the authority.

The property tax exemption would cause a minimal property tax shift onto other taxable parcels in same the taxing jurisdictions where the authority purchases property. If the authority leases or purchases tax exempt state property, then there would be no impact.

The franchise tax exemption is expected to have no fiscal effect as the authority is expected to operate as a non-profit entity.

The sales and use tax exemption is expected to result in a minimal tax revenue decrease.

Long-Range Fiscal Implications