

Multiple Agency Fiscal Note Summary

Bill Number: 5871 SB	Title: Prescribed power wheelchairs
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	0	(956,000)	(958,000)	(1,094,000)	(1,096,000)
Total \$	0	0	(956,000)	(958,000)	(1,094,000)	(1,096,000)

Local Gov. Courts *						
Local Gov. Other **				(347,489)		(397,980)
Local Gov. Total				(347,489)		(397,980)

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.0	5,000	5,000	.0	0	0	.0	0	0
Total	0.0	\$5,000	\$5,000	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Ryan Black, OFM	Phone: 360-902-0417	Date Published: Final
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 22788

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 5871 SB	Title: Prescribed power wheelchairs	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
GF-Basic-State 01 - Taxes 01 - Retail Sales Tax				(956,000)	(1,094,000)
Performance Audit-State 01 - Taxes 01 - Retail Sales Tax				(2,000)	(2,000)
Total \$				(958,000)	(1,096,000)

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.1	0.0		
Fund					
GF-STATE-State 001-1		5,000	5,000		
Total \$		5,000	5,000		

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Dean Carlson	Phone: (360)786-7305	Date: 02/07/2009
Agency Preparation: Erin Valz	Phone: 360-570-6082	Date: 02/18/2009
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 02/18/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/21/2009

Request # 5871-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill provides a sales and use tax exemption for prescribed power wheelchairs and related accessories and services. A power wheelchair is defined as a chair-like battery powered mobility device for people with difficulty walking due to illness or disability, which an integrated, modular, or custom seating system, electronic steering, and four or more wheel nonhighway construction. The definition does not include a vehicle or a motorized foot scooter as defined in RCW 46.04.

The effective date for the bill is July 1, 2011.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

Data on the power wheelchairs was collected from a report completed by staff at the University of California on mobility device use in the United States.

Growth rates were based on data collected from the U.S. Census Bureau and Washington State's Economic and Revenue Forecast Council.

The effective date for the bill would be July 1, 2011, which would result in 11 months of cash collections for Fiscal Year 2012.

REVENUE ESTIMATES

This bill will decrease state revenues by \$958,000 in the 2012-2013 Biennium, and \$1,096,000 in the 2014-2015 Biennium.

Local governments will lose \$351,000 in the 2012-2013 Biennium, and \$402,000 in the 2014-2015 Biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2010 -	\$ 0
FY 2011 -	\$ 0
FY 2012 -	\$ (447)
FY 2013 -	\$ (511)
FY 2014 -	\$ (535)
FY 2015 -	\$ (561)

Local Government, if applicable (cash basis, \$000):

FY 2010 -	\$ 0
FY 2011 -	\$ 0
FY 2012 -	\$ (164)
FY 2013 -	\$ (187)
FY 2014 -	\$ (196)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing

To implement this legislation the Department of Revenue will incur costs of approximately \$5,000 in Fiscal Year 2011 for the amendment of one administrative rule.

Part III: Expenditure Detail**III. A - Expenditures by Object Or Purpose**

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.1	0.0		
A-Salaries and Wages		3,200	3,200		
B-Employee Benefits		800	800		
E-Goods and Services		700	700		
J-Capital Outlays		300	300		
Total \$		\$5,000	\$5,000		

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
HEARINGS SCHEDULER	32,688		0.0	0.0		
TAX POLICY SP 3	69,756		0.0	0.0		
WMS BAND 3	88,546		0.0	0.0		
Total FTE's	190,990		0.1	0.0		

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the Department of Revenue will use the expedited process to amend WAC 458-20-18801, "Prescription drugs, prosthetic and orthotic devices, ostomic items, and medically prescribed oxygen". Persons affected by this rule-making would include persons purchasing and businesses that sell power wheelchairs, accessories, and services.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 5871 SB	Title: Prescribed power wheelchairs
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Moderate loss of sales tax revenue (greater than \$50,000)
- ☒ Counties: Moderate loss of sales tax revenue (greater than \$50,000)
- ☒ Special Districts: Moderate loss of sales tax revenue (greater than \$50,000) for special districts that generate sales tax revenues
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Jurisdiction	FY 2010	FY 2011	2009-11	2011-13	2013-15
City				(133,888)	(153,342)
County				(114,741)	(131,413)
Special District				(98,860)	(113,225)
TOTAL \$				(347,489)	(397,980)
GRAND TOTAL \$					(745,469)

Estimated expenditure impacts to:

Jurisdiction	FY 2010	FY 2011	2009-11	2011-13	2013-15
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					0

Part III: Preparation and Approval

Fiscal Note Analyst: Cezanne Murphy-Levesque	Phone: 360/725-5036	Date: 02/18/2009
Leg. Committee Contact: Dean Carlson	Phone: (360)786-7305	Date: 02/07/2009
Agency Approval: Darleen Muhly	Phone: (360) 725 5030	Date: 02/18/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/21/2009

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill provides a sales and use tax exemption for prescribed power wheelchairs and related accessories and services. A power wheelchair is defined as a chair-like battery powered mobility device for people with difficulty walking due to illness or disability, which have integrated, modular, or custom seating system, electronic steering, and four or more wheel non-highway construction. The definition does not include a vehicle or a motorized foot scooter as defined in RCW 46.04.

The effective date for the bill is July 1, 2011.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

No expenditure impact is expected because collection and administration of sales and use taxes are handled at the taxpayer and state levels.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

According to Department of Revenue (DOR), local governments are estimated to lose an estimated \$351,000 in the 2011-2013 Biennium, and \$402,000 in the 2013-2015 Biennium.

The bill would result in the following loss of local sales tax revenue for local government, according to the Department of Revenue (DOR):

FY 2010 -	\$ 0
FY 2011 -	\$ 0
FY 2012 -	\$ (164,000)
FY 2013 -	\$ (187,000)
FY 2014 -	\$ (196,000)
FY 2015 -	\$ (206,000)

The estimated sales tax revenue loss by counties, cities, and special districts would be distributed as follows:

	Counties	Cities	Special Districts
FY 2010	\$ 0	\$ 0	\$ 0
FY 2011	\$ 0	\$ 0	\$ 0
FY 2012	\$ (53,611)	\$ (62,557)	\$ (46,191)
FY 2013	\$ (61,130)	\$ (71,331)	\$ (52,669)
FY 2014	\$ (64,072)	\$ (74,764)	\$ (55,204)
FY 2015	\$ (67,341)	\$ (78,578)	\$ (58,021)

ASSUMPTIONS AND METHODOLOGY

Sales Tax Revenue Impact Data and Distributions:

Sales tax revenue impact data was furnished by DOR. The distributions in this note for cities, counties, and special districts are based on DOR data for local sales and use tax distributions from September to December 2008. Prior months were not used because they represent tax receipts prior to the effective date of streamlined sales tax. In addition, mitigation payments are not factored into this distribution. This results in a distribution of 33.02 percent to counties, 38.53 percent to cities and 28.45 percent to special districts. The 1 percent DOR administrative fee has also been deducted.

SOURCES CITED

Department of Revenue Fiscal Note

Department of Revenue Local Tax Distributions