

**FISCAL ESTIMATE FORM**

**2011 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

<b>LRB #</b>	
<b>INTRODUCTION #</b>	
Admin rule #	Chapter Tax 11.10

**Fiscal Effect**

**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- |  |   |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> 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<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:
- Towns     Villages     Cities  
 Counties     Others \_\_\_\_\_  
 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:**

2007 Wisconsin Act 20 adopted an exemption (under s.77.54 (56)) for certain products whose power source is wind energy, direct radiant energy from the sun, or gas generated from the digestion of animal manure and other agricultural waste. The exemption also applies to electricity and energy produced by the exempt products.

2009 Wisconsin Act 28 changed the effective date of the exemption from July 1, 2009 to July 1, 2011.

The proposed rule modifies TAX 11 to reflect the law changes, improve clarity, and add examples to illustrate the tax treatment of certain items under the exemptions under s.77.54 (56).

The proposed rule includes:

- A definition for "product" as described in the exemption under s.77.54 (56);
- Examples of items that are considered "products" under the exemption; and
- Clarification that the exemption does not apply to electricity or energy which is purchased for resale and is then sold in a retail sale unless the retailer is able to account for the quantity of electricity or energy that qualifies for the exemption and is able to identify the person to whom the electricity or energy is sold.

As specified in the rule, examples of products that become exempt from sales and use tax effective July 1, 2011 under the statutory change include certain wind turbine generators, photovoltaic cells, anaerobic gas powered turbines, and certain other products.

The fiscal effect of the exemptions under s.77.54 (56) have already been reflected under general fund condition statements subsequent to 2007 Act 20 and 2009 Act 29 (where, under both acts, the annual sales tax loss of the exemptions was estimated at \$1.3 million annually). Since the fiscal impact of the statutory change has already been reflected, the proposed rule has no fiscal effect.

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2011 Session**

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<b>LRB #</b>	Admin. Rule #
<b>INTRODUCTION #</b>	Chapter Tax 11.10

**Subject PROPOSED ORDER OF THE DEPARTMENT OF REVENUE REPEALING, RENUMBERING, RENUMBERING AND AMENDING, AMENDING, REPEALING AND RECREATING, AND CREATING RULES**

**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)	(    )	-
State Operations-Other Costs		
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
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	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by Wisconsin Department of Revenue Bob Schmidt 608 267-9892	Authorized Signature/Telephone No. Wisconsin Department of Revenue Paul Ziegler 608 266-5773	Date June 9, 2011
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