

**ADMINISTRATIVE RULES  
FISCAL ESTIMATE  
AND ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis

Original     Updated     Corrected

Administrative Rule Chapter, Title and Number

Section Tax 2.60 - Definitions relating to combined reporting and Section Tax 2.61 - Combined reporting

Subject

Treatment of pre-2009 net business loss carryforwards under combined reporting

Fund Sources Affected

Chapter 20 , Stats. Appropriations Affected

GPR    FED    PRO    PRS    SEG SEG-S

Fiscal Effect of Implementing the Rule

No Fiscal Effect  
 Indeterminate

Increase Existing Revenues  
 Decrease Existing Revenues

Increase Costs  
 Could Absorb Within Agency's Budget  
 Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes     No

Policy Problem Addressed by the Rule

The rule does not create or revise policy, other than to reflect a statutory change.

Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

As indicated in the attached fiscal estimate, the fiscal effect of allowing commonly controlled groups to share losses generated before January 1, 2009, was included in the fiscal effect of 2011 Wisconsin Act 32. The rule itself does not create any further economic or fiscal impact or implementation and compliance costs beyond the statutes it interprets, except that, by providing clarifications and examples, may reduce the costs that businesses and individuals would otherwise incur to comply with the statutes.

No comments concerning the economic effect of the rule were submitted in response to the department's solicitation.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Clarifications and guidance provided by administrative rules may lower the compliance costs for businesses, local governmental units, and individuals.

If the rule is not implemented, Chapter Tax 2 will be incomplete in that it will not reflect current law.

Long Range Implications of Implementing the Rule

No long-range implications are anticipated.

Compare With Approaches Being Used by Federal Government

N/A

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois has its own unique provisions concerning the treatment of net business loss carryforwards, which differ from Wisconsin's provisions substantively enough to prohibit consideration of the Illinois approach.