

Report From Agency

DEPARTMENT OF REVENUE

CLEARINGHOUSE RULE NUMBER 09-090

SECTION 227.19(2) AND (3), STATS., REPORT

Basis and Purpose of the Proposed Rule

The rule is necessary to bring Chapter Tax 11 into conformity with the Streamlined Sales and Use Tax Agreement.

Public Hearing

Public hearings were held on December 1 and 15, 2009. No testimony was offered at the hearings.

Summary of Public Comments and Agency Response

Comments were received from the Equipment Leasing and Finance Association, requesting clarification as to whether certain charges are included or excluded from a lease sales price and the proper tax treatment of transactions involving leases with a mandatory purchase and nominal purchase option (the full text of the comments is attached). The requested clarifications have been incorporated, as appropriate, throughout the proposed rule (primarily in ss. Tax 11.29, 11.32 and 11.79).

Legislative Council Staff Recommendations

All Legislative Council staff recommendations have been incorporated in the proposed rule order, with the following exceptions:

- A general recommendation was made to consolidate the information in multiple notes into one note. The notes were reviewed and it was verified that their placement is appropriate for understanding of the subject matter involved.
- A recommendation was made to renumber the items listed in Tax 11.12(4)(b). It was felt that making this change would compromise the readability and ease of understanding of this paragraph.

Regulatory Flexibility Analysis

The proposed rule order does not have a significant economic impact on a substantial number of small businesses.