

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

Type of Estimate and Analysis

Original Updated Corrected

Administrative Rule Chapter, Title and Number

Chapter Tax 61 – Retailers

Subject

Lottery retailers

Fund Sources Affected

Chapter 20 , Stats. Appropriations Affected

GPR FED PRO PRS SEG SEG-S

Fiscal Effect of Implementing the Rule

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Could Absorb Within Agency's Budget
		<input type="checkbox"/> Decrease Costs

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

<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors
<input type="checkbox"/> Local Government Units	<input type="checkbox"/> 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 current law and department policy.

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 proposed rule is expected to result in no significant change to total ticket sales or lottery operations, and has minimal fiscal effect.

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 lottery retailers.

If the rule is not implemented, Chapter Tax 61 will be incomplete in that it will not reflect current law or department policy.

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)

N/A

FISCAL ESTIMATE FORM

2013 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #

INTRODUCTION #

Admin rule # Tax 61: Lottery retailers

Subject

Proposed order of the Department of Revenue relating to lottery retailers.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No

Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive 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:

The proposed rule updates Chapter TAX 61 of the Administrative Code, pertaining to the state lottery, to eliminate discretionary authority provided to the lottery administrator that is not allowed under current law. The proposed rule also amends chapter TAX 61 provisions to provide the administrator authority to reimburse retailers for stolen tickets.

Specifically, the proposed rule includes:

- Removing the administrator's authority to allow retailers to add any service fee, handling fee, or other expenses to the purchase of a ticket.
- Removing the administrator's authority to permit retailers to sell lottery tickets to customers by phone, mail, email, similar electronic means, delivery, or similar service.
- Providing the administrator with the authority to credit a retailer's account for the value the retailer paid for instant scratch tickets that are stolen.

The department has the ability to cancel tickets that are reported lost or stolen. The administrative costs of providing retailers credit for stolen game tickets would be minimal and absorbed by the department. Since stolen tickets represent only a very small fraction of total ticket sales, and since it is anticipated that retailers will purchase tickets to replace stolen tickets, the proposed rule is expected to result in no significant change to total ticket sales or lottery operations.

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2013 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #	Admin. Rule #
INTRODUCTION #	Tax 61: Lottery Retailers

Subject
Proposed order of the Department of Revenue relating to lottery retailers.

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		-
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$
FED		-
PRO/PRS		-
SEG/SEG-S	\$ minimal	-
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		- minimal
TOTAL State Revenues	\$ minimal	\$ - minimal

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ minimal	\$ 0
NET CHANGE IN REVENUES	\$ minimal	\$ 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 3/15/2013