

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

Type of Estimate and Analysis

Original     Updated     Corrected

Administrative Rule Chapter, Title and Number

Chapters Tax 16 and 19 – Local financial reporting and expenditure restraint payments

Subject

Local financial reporting and expenditure restraint payments

Fund Sources Affected

Chapter 20 , Stats. Appropriations Affected

GPR    FED    PRO    PRS    SEG    SEG-S

Fiscal Effect of Implementing the Rule

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input 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 has no fiscal effect on municipalities, counties, or the Department of Revenue.  
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 municipalities and counties.  
If the rule is not implemented, Chapters Tax 16 and 19 will be incomplete in that they 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

<b>LRB #</b>	
<b>INTRODUCTION #</b>	
Admin rule #	Tax 16: Local Financial Reporting Tax 19: Expenditure Restraint Payment

**Subject**  
**Proposed order of the Department of Revenue relating to local financial reporting and expenditure restraint payments**

**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	Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

**Local:**  No Local Government Costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

Summary:

The proposal makes a number of updates and technical corrections to certain DOR administrative rules. These changes have no fiscal effect on municipalities, counties, or the DOR.

Detail of Provisions:

Sections 1 and 2 of the proposal affect only those municipalities or counties that have a population of 25,000 or more, or had a population of 25,000 or more on December 31, 1986, and now have a population of less than 25,000.

The current rule allows municipalities and counties to file the required annual financial report on either the form provided by Department of Revenue (DOR) or on a locally designed form approved by DOR. Under the proposal, the option of using a locally designed form is eliminated. The use of locally designed forms has decreased significantly, and using a uniform report form will permit increased automation of the processing of the information from these forms.

The address given in the rules for local governments to obtain the necessary forms is no longer occupied by DOR. The address is updated to the current address.

Section 3 of the proposal corrects a typographical error in the definition of "municipal operating budget" for purposes of determining eligibility for the expenditure restraint payment.

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2013 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

<b>LRB #</b>	Admin. Rule: Tax 16: Local Financial Reporting / Tax 19: Expenditure Restraint Payments
<b>INTRODUCTION #</b>	

**Subject**  
**Proposed order of the Department of Revenue relating to local financial reporting and expenditure restraint payments**

**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**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0
<b>Agency/Prepared by</b> Wisconsin Department of Revenue Daniel Huegel 608 266-5705	<b>Authorized Signature/Telephone No.</b> Wisconsin Department of Revenue Paul Ziegler 608 266-5773	<b>Date</b>  03/12/2013