

## **Report From Agency**

### **DEPARTMENT OF REVENUE**

#### **CLEARINGHOUSE RULE NUMBER 16-064**

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

##### **Basis and Purpose of the Proposed Rule**

The proposed rule will amend s. Tax 12.50 to reflect changes made to sec. 70.111 (18), Wis. Stats., by 2013 Wisconsin Act 20 and repeal ss. Tax 20.01 to 20.03 because 2013 Wisconsin Act 20 repealed DOR's rule-making authority under sec. 73.03 (66), Wis. Stats.

70.111 (18), Wis. Stats., as amended by 2013 Wisconsin Act 20, relies on the federal definition of biomass found in section 45K (c) (3) of the Internal Revenue Code.

2013 Wisconsin Act 20 also repealed the appropriation found in sec. 20.835 (3) (qb), Wis. Stats., and the associated rule-making authority in sec. 73.03 (66), Wis. Stats. The legislature identified a policy that DOR should no longer appropriate lottery funds to the school levy tax credit. Repealing the rule associated with this legislative change is the only alternative, particularly in light of the legislature's repeal of DOR's rule-making authority in sec. 73.03 (66), Wis. Stats.

##### **Public Hearing, Comments, and Department Response**

A public hearing was held on January 5, 2017. No one appeared at the hearing. No public comments to the proposed rule order were received.

##### **Response to Legislative Council Report**

Attached is the Legislative Council report. No comments were provided.

##### **Regulatory Flexibility Analysis**

The proposed rule order does not affect small businesses.