

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date July 30, 2019
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3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)

Chapter Tax 11 Update

4. Subject

2003 Wisconsin Act 99, 2009 Wisconsin Act 2, 2013 Wisconsin Act 20, and 2015 Wisconsin Acts 55, 60, 126, 170, 251, 361, and 364 have made numerous changes to Wisconsin's sales and use tax laws. This rule order makes changes to reflect current law and current department policy.

5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
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7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Could Absorb Within Agency's Budget
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8. 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
	<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)

9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).

\$ None

10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?

Yes No

11. Policy Problem Addressed by the Rule

This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state or local fiscal effect.

12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.

Wisconsin Taxation Committee (WICPA), Wisconsin Manufacturers and Commerce (WMC), Wisconsin Association of Accountants (WAA), Tax Executives Institute (TEI), Independent Business Association of Wisconsin (IBAW), Wisconsin Independent Businesses (WIB), National Federation of Independent Businesses (NFIB), Council on State Taxation (COST), and National Association of Computerized Tax Processors (NACTP).

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

14. 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)

The fiscal effect of the statutory changes is already reflected in prior general fund condition statements. This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

or local fiscal effect.

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

The department has created this proposed rule order to reflect statutory changes, as well as provide needed clarification and correction.

16. Long Range Implications of Implementing the Rule

The fiscal effect of the statutory changes is already reflected in prior general fund condition statements; therefore, there is no fiscal impact related to implementing the rule. The rule updates the Administrative Code to reflect statutory changes, as well as provide needed clarification and correction.

17. Compare With Approaches Being Used by Federal Government

There are no similar approaches being used by Federal Government.

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

There are no similar approaches being used by neighboring states.

19. Contact Name	20. Contact Phone Number
Jen Chadwick	608-266-8253

This document can be made available in alternate formats to individuals with disabilities upon request

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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FISCAL ESTIMATE FORM

2019 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #
INTRODUCTION #
Admin. Rule # to be assigned

Subject

This rule repeals Tax 11.26 (2) (i); **amend** Tax 11.05 (2) (gm), (4) (f), and (4) (Note 1), 11.08 (6) (Note 2), 11.13 (6) (b) 2., 11.14 (2) (b) and (16), 11.26 (2) (q) and (3) (Note 2), 11.33 (4) (a) (intro) and (a) 3. and (5) (c), 11.34 (3) (bg), 11.35 (2) (b), (5) (a) and (a) (Example), (5) (b) and (b) (Example 1) and (Example 2), (6) (a) (Example 1), (Example 2), (Example 3), and (Example 5), (6) (b) and (b) (Example 2), (7) (b) (Example), (7) (c) (Example 1) and (Example 2), (7) (d) (Example), and (8) (Note 2), 11.41 (4) (a), 11.50 (4) (a) 1. a. and (5) (title), 11.52 (7) (Note 1) and (Note 2), 11.55 (2) (a) and (4) (Note 1) and (Note 2), 11.67 (3) (b) and (3) (Note 1), 11.68 (13) (Note 1) and (Note 2), 11.72 (1) (b) 2. and (3) (Note 2), 11.83 (1) (b), 11.97 (3) (b), (c), (d), (e), (f), and (g) and (8) (Note 2); and **create** Tax 11.01 (1) (gm), 11.26 (3) (i) and (j), 11.50 (5) (a) 9., 11.52 (7) (d), 11.68 (4) (a) (title), (4) (b) (title), (4) (c) (title), (4) (d) (title), (4) (e) (title), (4) (f) (title), (4) (fm), (4) (g) (title), (4) (h) (title), and (4) (i); **relating to** sales and use tax provisions.

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

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:

2003 Wisconsin Act 99, 2009 Wisconsin Act 2, 2013 Wisconsin Act 20, and 2015 Wisconsin Acts 55, 60, 126, 170, 251, 361, and 364 have made numerous changes to Wisconsin's sales and use tax laws. The department has created this proposed rule order to reflect these statutory changes, as well as provide needed clarification and correction.

The fiscal effect of the statutory changes is already reflected in prior general fund condition statements.

This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state or local fiscal effect.

Long-Range Fiscal Implications:

Agency/Prepared by: Wisconsin Department of Revenue Travis Arthur (608) 266-8565	Authorized Signature/Telephone No. Wisconsin Department of Revenue Jamie Adams (608) 266-6785	Date 4-12-2019
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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2017 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #	Admin. Rule #
INTRODUCTION	to be assigned

Subject

This rule repeals Tax 11.26 (2) (i); **amend** Tax 11.05 (2) (gm), (4) (f), and (4) (Note 1), 11.08 (6) (Note 2), 11.13 (6) (b) 2., 11.14 (2) (b) and (16), 11.26 (2) (q) and (3) (Note 2), 11.33 (4) (a) (intro) and (a) 3. and (5) (c), 11.34 (3) (bg), 11.35 (2) (b), (5) (a) and (a) (Example), (5) (b) and (b) (Example 1) and (Example 2), (6) (a) (Example 1), (Example 2), (Example 3), and (Example 5), (6) (b) and (b) (Example 2), (7) (b) (Example), (7) (c) (Example 1) and (Example 2), (7) (d) (Example), and (8) (Note 2), 11.41 (4) (a), 11.50 (4) (a) 1. a. and (5) (title), 11.52 (7) (Note 1) and (Note 2), 11.55 (2) (a) and (4) (Note 1) and (Note 2), 11.67 (3) (b) and (3) (Note 1), 11.68 (13) (Note 1) and (Note 2), 11.72 (1) (b) 2. and (3) (Note 2), 11.83 (1) (b), 11.97 (3) (b), (c), (d), (e), (f), and (g) and (8) (Note 2); and **create** Tax 11.01 (1) (gm), 11.26 (3) (i) and (j), 11.50 (5) (a) 9., 11.52 (7) (d), 11.68 (4) (a) (title), (4) (b) (title), (4) (c) (title), (4) (d) (title), (4) (e) (title), (4) (f) (title), (4) (fm), (4) (g) (title), (4) (h) (title), and (4) (i); **relating to** sales and use tax provisions.

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:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds		
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.)		
GPR Taxes	\$	\$
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by: Wisconsin Department of Revenue Travis Arthur (608) 266-8565	Authorized Signature/Telephone No. Wisconsin Department of Revenue Jamie Adams (608) 266-6785	Date 4-12-2019
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