

# STATEMENT OF SCOPE

## Department of Revenue

Rule No.: Chapter Tax 11

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Relating to: Sales and use tax

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Rule Type: Permanent

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This scope statement was approved by the Governor on October 3, 2019.

### 1. Detailed description of the objective of the proposed rule:

Upon review of the administrative code, the following sections are identified as needing updating. Most of these changes relate to items identified in the JCRAR report submitted on March 26, 2019:

- a. Section Tax 11.002: Update Streamlined Sales Tax Governing Board's Central Registration System (SSTGBCRS) to Streamlined Sales Tax Registration System (SSTRS)
- b. Section Tax 11.01: Update old email address
- c. Section Tax 11.09: Reflect insulin does not need to be dispensed by prescription per s. 77.54 (14m), Stats.
- d. Section Tax 11.11: Update old email address
- e. Section Tax 11.14: Update to reflect that farm-raised fish do not require an exemption certificate per 2017 WI Act 59
- f. Section Tax 11.17:
  - Remove "soda water beverages" from chart – no longer a defined term
  - Remove "compresses and dressing" from chart – pre-Streamlined term
  - Add "soft drink" to chart
- g. Section Tax 11.20: Update to reflect expansion of definition of farming to include "beekeeping" per 2017 WI Act 59
- h. Section Tax 11.34: Update old email address
- i. Section Tax 11.46: Update for expansion of occasional sale exemption for nonprofits per 2015 WI Act 170
- j. Section Tax 11.535 Update old email and mailing addresses
- k. Section Tax 11.57:
  - Reflect exemption for certain services performed during disaster per 2017 WI Act 290
  - Reflect exemption for fuel and electricity used in "beekeeping" per 2017 WI Act 59
- l. Section Tax 11.61: Update to reflect expansion of definition of farming to include "beekeeping" per 2017 WI Act 59
- m. Section Tax 11.88: Change reference from "(4) (a)" to "(5) (a)"
- n. Section Tax 11.925: Update old contact information
- o. Section Tax 11.96: Update old mailing address

**2. Description of existing policies relevant to the rule , new policies proposed to be included in the rule, and an analysis of policy alternatives:**

Existing policies are as set forth in the rules. Additional language is needed to reflect the statutory provisions described above. If the rules are not changed, they will be incorrect in that they will not reflect current law or current department policy.

**3. Detailed explanation of statutory authority for the rule (including the statutory citation and language):**

Section 77.65 (3), Stats., provides "[t]he department may promulgate rules to administer this section..."

Section 227.11 (2), Stats., provides statutory rule-making authority as follows:

(a) "Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute..."

(b) "Each agency authorized to exercise discretion in deciding individual cases may formalize the general policies evolving from its decisions by promulgating the policies as rules ..."

**4. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule :**

The department estimates it will take approximately 100 hours to develop the rule.

**5. List with description of all entities that may be affected by the proposed rule :**

Purchasers and sellers of the products described above.

**6. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

There is no existing or proposed federal regulation that is intended to address the activities to be regulated by the rule.

**7. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):**

No economic impact is anticipated.

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