

# STATEMENT OF SCOPE

## Department of Revenue

Rule No.: Chapters Tax 7 and 8

Relating to: Excise tax

Rule Type: Permanent

This scope statement was approved by the Governor on May 7, 2020.

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

As part of the department's review of the administrative code for purposes of the JCRAR report submitted on March 26, 2019, the following sections were identified as needing repeal:

#### a. Tax 7.11

Repeal Tax 7.11. This rule describes the conditions and provisions for refunds of excise tax paid on beer sold to the armed forces. Specifically, the rule describes copies of invoices and affidavits that must be signed, retained, or filed with the department. However, all refund claims are electronically filed and records are kept electronically. Existing procedures are described in the instructions to Form BT-612, *Refund Claim of Tax on Fermented Malt Beverages Sold to the Armed Forces of the United States*, available on the department's website. Section 139.10(1), Stats., provides authority for the refund, sec. Tax 7.001(2)(a)3., Wis. Adm. Code, describes authority to require electronic filing, and sec. Tax 7.01, Wis. Adm. Code, describes records that must be kept.

#### b. Tax 8.63(7)

Repeal Tax 8.63(7). This rule provides that the department shall post the name of liquor wholesale permittees on the internet, along with certain other information. The rule does not reflect current law (sec. 139.11(4)(b)2., Stats.) which, requires the internet posting of liquor permit holders and dictates what permit information must be published, including the frequency.

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

- a. Existing policies for claiming refunds of excise tax paid on beer sold to the armed forces are described in the instructions to Form BT-612, *Refund Claim of Tax on Fermented Malt Beverages Sold to the Armed Forces of the United States*, available on the department's website.
- b. Existing policies for internet posting of alcohol beverage permits are set forth in sec. 139.11(4)(b)2., Stats. Reports are published here: <https://www.revenue.wi.gov/Pages/Report/a.aspx#alcohol>.

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

Under s. 125.03 (1), Stats., the department may promulgate rules consistent with chapters 125 and 139 of the Wisconsin Statutes, relating to alcohol beverages regulation and beverage, controlled substances, and tobacco taxes, and to provide for registration of wine collectors and establishing standards of eligibility for registration as a wine collector.

Under s. 125.54 (7) (d), Stats., the department shall promulgate rules to administer and enforce the requirements relating to wholesalers' permits.

Under s. 139.08(2), Stats., the secretary of revenue shall adopt rules necessary to carry out the secretary's duties under this chapter.

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 minimal time to repeal the rules.

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

Repealing ss. Tax 7.11 and 8.63(7) will have no effect as the current rule is not up-to-date with current law and department procedures.

**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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Department Head Signature

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Date Submitted