

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 4/25/2023</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapter Tax 10, Unclaimed Property</p>	
<p>4. Subject This rule seeks to create Tax 10.01 (1) and (2) relating to the reporting and remittance of virtual currency for unclaimed property.</p>	
<p>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</p>	<p>6. Chapter 20, Stats. Appropriations Affected</p>
<p>7. 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"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" 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)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0</p>	
<p>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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule Current law requires certain abandoned virtual currency to be converted to U.S. currency and delivered to the department (sec. 177.0307, Wis. Stats.). Current law also provides relief from liability to holders that deliver or pay the abandoned property to the department in good faith, and the state must defend and indemnify a holder against liability claims relating to the property. However, the law does not specify when or how soon a holder must convert the virtual currency to U.S. currency prior to delivery to the department so the holder can be relieved from liability relating to the property. Current published guidance provided by the department provides that a holder that liquidates the virtual currency within 30 days prior to the reporting deadline is considered to have delivered the property in good faith and is relieved of liability. This rule will provide a standard and certainty for holders as well as provide a rule the department can adhere to for published guidance.</p>	
<p>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. No businesses or associations were contacted for comments. The department posted the proposed rule draft on its website for comment on the economic effect, and sent a email soliciting comments to subscribers to the email news on administrative rules; no comments were received.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. None</p>	
<p>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) Holders of virtual currency may incur costs to convert to U.S. currency; however, this cost would be required regardless of the time frame provided for conversion (i.e., the requirement to convert is already provide by law). There are no anticipated economic or fiscal impacts on businesses as the result of the rule, but the rule may provide economic</p>	

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certainty for holders that could otherwise be held accountable by property owners.

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

This rule provides a standard and certainty for holders of virtual currency. Without the certainty, holders could be held accountable by property owners claiming their virtual currency was not liquidated and delivered to the department in good faith. Alternatives to implementing a rule would be to do nothing or proposed a statutory standard. Doing nothing would not benefit holders and the department, and getting a law change in a timely manner is not guaranteed.

16. Long Range Implications of Implementing the Rule

No long range implications are expected.

17. Compare With Approaches Being Used by Federal Government

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

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

Illinois has the same 30-day time frame for liquidating the virtual currency prior to filing the unclaimed property report.

Illinois law provides:

If property reported to the administrator is virtual currency, the holder shall liquidate the virtual currency and remit the proceeds to the administrator. The liquidation shall occur anytime within 30 days prior to the filing of the report under Section 15-401. The owner shall not have recourse against the holder or the administrator to recover any gain in value that occurs after the liquidation of the virtual currency under this subsection (756 ILCS 1026/15-603(i))

Michigan, Minnesota, and Iowa's rules do not address virtual currency because they have not updated their unclaimed property laws to include newer forms of property, such as virtual currency.

19. Contact Name

Ann DeGarmo

20. Contact Phone Number

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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:
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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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