

ORDER OF THE DEPARTMENT OF REVENUE AMENDING AND CREATING RULES

The Wisconsin Department of Revenue adopts an order to: **amend** Tax 1.12(4)(a)(intro.); and **create** Tax 1.12(4)(a)12.; **relating to** electronic funds transfer.

Analysis by the Department of Revenue

Statutes interpreted: ss. 71.01(8r), 71.42(3m), 71.63(1m) and (5m), 71.65(3)(a), 73.029, 77.58(1m), 77.61(14), 77.96(5m), 78.12(5), 78.55(5m), 139.01(5m), 139.30(8m) and 139.75(5m), Stats.

Statutory authority: s. 227.11(2)(a), Stats.

Explanation of agency authority: Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by it, if the agency considers it necessary to effectuate the purpose of the statute.

Related statute or rule: There is no related statute or rule that specifically addresses a requirement to make payments of certain installment agreements on overdue tax accounts using electronic funds transfer.

Plain language analysis: The Wisconsin statutes provide that the department may require electronic funds transfer only by promulgating rules. This rule is being promulgated so that the department may require electronic funds transfer for payments on overdue tax accounts meeting at least one of the following requirements:

- The initial overdue balance is at least \$2,000.
- The installment agreement is for more than 2 years in length.
- The installment agreement was requested by an entity with an active business permit.
- The installment agreement is for a person with an out-of-state account.
- The payment history of the account dictates that it would be in the department's best interest to require electronic funds transfer.

Summary of, and comparison with, existing or proposed federal regulation: There is no existing or proposed federal regulation that is intended to address the activities to be regulated by the rule.

Comparison with rules in adjacent states: The department is not aware of a similar rule in an adjacent state.

Analysis and supporting documents used to determine effect on small business: The department has prepared a fiscal estimate regarding this rule order. It was determined that there is not a significant fiscal effect on small business.

Anticipated costs incurred by private sector: This rule order does not have a significant fiscal effect on the private sector.

SECTION 1. Tax 1.12(4)(a)(intro.) is revised, to reflect the creation of a new subdivision.

SECTION 2. Tax 1.12(4)(a)12. is created, to provide that payments of certain installment agreements on overdue tax accounts are required to be made by electronic funds transfer.

SECTION 1. Tax 1.12(4)(a)(intro.) is amended to read:

Tax 1.12(4)(a)(intro.). Except as provided in sub. (11), the department requires a person who owes taxes and fees as described in subds. 1. to ~~11.~~ 12. to pay or deposit the taxes and fees using the EFT payment method. The following taxes and fees are included in the EFT payment requirement:

Note to Revisor: In the note at the end of Tax 1.12(4)(a)(3), replace “Tax 11.001(4)” with “Tax 11.001(2)(d)”.

SECTION 2. Tax 1.12(4)(a)12. is created to read:

Tax 1.12(4)(a)12. Installment agreement payments on overdue tax accounts, if at least one of the following requirements are met:

- a. The initial overdue balance is at least \$2,000.
- b. The installment agreement is for more than 2 years in length.
- c. The installment agreement was requested by an entity with an active business permit.
- d. The installment agreement is for a person with an out-of-state account.
- e. The payment history of the account dictates that it would be in the department’s best interest to require EFT.

Note to Revisor: 1) In the example at the end of Tax 1.12(5), replace the year “1999” with “2003” and the year “2000” with “2004”.

2) Replace the note at the end of Tax 1.12(6) with the following:

Note: A request for an EFT registration packet may be made by calling the department’s EFT unit at (608) 264-9918, by writing to EFT Unit, Wisconsin Department of Revenue, PO Box

8912, Madison WI 53708-8912, or by submitting an on-line form via the department's web site at www.dor.state.wi.us.

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Final Regulatory Flexibility Analysis

This rule order does not have a significant economic impact on a substantial number of small businesses.

DEPARTMENT OF REVENUE

Dated: _____ By: _____
Michael L. Morgan
Secretary of Revenue

E:Rules/112 Final Order