



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

October 17, 2011

MEMORANDUM

To: Representative Coggs

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2011 AB 257** (LRB-2287/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

October 10, 2011

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical memorandum on AB 257 - relating to a Milwaukee County sales and use tax for parks, recreation, and culture, transit services, and public safety.

The Department has the following concerns with the bill:

(1) Businesses file sales and use tax returns on monthly, quarterly, and annual bases. Under the bill, Milwaukee County may impose an additional sales and use tax with an effective date of January 1, April 1, July 1, or October 1. An effective date other than January 1st would create complexity and additional costs for certain retailers and the Department of Revenue. The department recommends an effective date of January 1 to avoid requiring businesses that file on a calendar year basis from needing to track and calculate their collections for two differing rates for their filing period.

(2) Under the bill, Milwaukee County may impose an additional sales and use tax of up to 1.0%. Milwaukee County could adopt a rate that is difficult for retailers and the department to accommodate in their systems. To ensure that retailers' and the department's systems can accommodate the sales and use tax rate adopted by Milwaukee County, the department recommends that the bill restrict sales and use tax rates to increments of one-tenth of one percent (for example, 0.3% or 0.8%) up to the bill's maximum of 1.0%.

If you have questions regarding this technical memorandum, please contact Robert Schmidt at 608-267-9892 or robertk1.schmidt@dor.wi.gov

cc: Representative Coggs