State of Wisconsin

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STEPHEN R. MILLER
CHIEF

June 27, 2013

MEMORANDUM

To: Representative Knodl

From: Jeffery T. Kuesel, Managing Attorney, (608) 266–6778

Mike Duchek, Legislative Attorney, (608) 266–0130

Subject: Technical Memorandum to **2013 AB 219** (LRB–2452/2) **by DOR**

We offer the following comments in response to the memo from the Department of Revenue dated June 20, 2013, regarding AB219/SB200, and note that because SB200 has already been passed by both houses, only a veto or subsequent legislation could now make any substantive modifications to SB200:

1.) Regarding DOR's comment about the amendment of s. 71.78 (4) (o), stats. – Although s. 71.78 (4) (g), stats., already allows access to tax information under agreements between DOR and other agencies, the amendment to s. 71.78 (4) (o) makes it clear that access shall be granted unconditionally for the purpose of administering the license revocation provisions operated by DWD, which is not the case with 71.78 (4) (g). After discussing this provision with DWD, they believe it would be preferable for their program to have this language in the bill as drafted. We would recommend following up with DWD regarding any concerns about this provision.

2.) Regarding DOR's objection about revocations of business tax revocation certificates – we believe it is a policy decision for the legislature to make whether to exempt business tax registration certificates from license revocation provisions administered by DWD. However, we would note that an amendment to SB200 that was adopted further restricts the use of these provisions.

3.) Regarding DOR's costs in implementing the license revocation provisions – we would note that 11 other agencies are likewise affected by the license revocation provisions.

CC: Drafting file

MEMORANDUM

June 19, 2013

TO: Jeffery Kuesel
Michael Duchek
Legislative Reference Bureau

FROM: John Koskinen
Brad Caruth
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 219: Regarding Various Changes in the Unemployment Insurance Law; License Revocations Based on Delinquency in Payment of Unemployment Insurance Contributions; Granting Rule-Making Authority; Providing a Penalty; and Making an Appropriation

The Department has the following concerns related to the bill:

Section 71.78(4) identifies persons qualify to examine income and franchise tax returns. Section 22 of this bill, amends sec. 71.78(4)(o)., to provide that access to income and franchise tax returns would be allowed if a license holder has an unemployment insurance contribution delinquency under s. 108.227. This amendment is not necessary as sec. 71.78(4)(g), already allows access to income and franchise for employees of this state under contracts or agreements between DOR and any other department, division, bureau, board or commission of this state relating to the administration of tax laws.

Sections 24, 25, 26, and a portion of Section 108 of the bill reference denial, nonrenewal, discontinuation, suspension or revocation of the BTR Certificate. If the BTR Certificate is taken away due to delinquent UI contributions, DOR will be required to advise the business to shut down all operations and cease to have employees even if it is in the State's best interests to keep the business operational. It would be preferable to delete Section 24 – 26 and the phrase "A certificate under s. 73.03(50)..." in Section 108, page 74, line 22.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Representative Knodl