



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

February 12, 2014

MEMORANDUM

To: Representative Steineke

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

Eric Mueller, Legislative Attorney, (608) 261-7032

Subject: Technical Memorandum to **2013 AB 724** (LRB-3716/1) 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

February 11, 2014

TO: Eric V. Mueller
Legislative Reference Bureau

FROM: Robert Schmidt
Department of Revenue

SUBJECT: Technical Memorandum on 2013 AB 724 Relating to Deadlines for Certain Reports Used by Local Governments and by the Joint Committee on Finance

The Department of Revenue (DOR) has the following concerns regarding the bill:

1. The bill changes the date for DOR to certify the "inflation factor" for expenditure restraint payment purposes to the Joint Committee on Finance from November 1 to October 1. The "inflation factor" is defined as the annual average percentage change in the US Consumer Price Index (CPI) for all urban consumers for the 12 month period ending on September 30. Since the Bureau of Labor Statistics of the US Department of Labor does not release the September CPI number until mid-October, the data required to certify the "inflation factor" will not be available by the October 1 deadline.

In order to provide the most current information, we suggest that the definition of the "inflation factor" under sec. 79.05 (1) (am) be amended so that it is based on an earlier 12-month period than used under current law.

2. The bill changes the date for DOR to notify taxing jurisdictions of the value of exempt computer equipment in the taxing jurisdiction from October 1 to September 15. Under 2013 Act 20, the deadline for municipalities to report the value of such property was changed from May 1 to the 2nd Monday in June. Amended reports are due September 1. Given the number of amended reports and late-filers, DOR is not able to produce the notices required under sec. 79.095(3) in time for the September 15 deadline.
3. The bill also changes the date for the Department of Transportation (DOT) to provide transportation aid data to DOR from October 1 to September 15. Several steps occur prior to DOT sharing data with DOR. Under current law, counties and municipalities must submit financial reports to DOR by May 15. Under sec. 86.303(5)(g), certain counties and municipalities must provide audited financial reports to DOR by July 31. DOR then provides county and municipal information to DOT during the first week of September. Under current law, DOT will not be able to provide DOR with the transportation aid information to DOR by September 15.

If you have any questions on this technical memorandum, please contact Bob Schmidt at 266-5773 or robertk1.schmidt@revenue.wi.gov

cc: Representative Steineke