

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received: **6/5/2013** Received By: **mgallagh**
Wanted: **As time permits** Same as LRB:
For: **Legislative Fiscal Bureau** By/Representing: **Shanovich (DH)**
May Contact: Drafter: **mgallagh**
Subject: **Econ. Development - misc.** Addl. Drafters:
Extra Copies: **FFK**

Submit via email: **YES**
Requester's email: **Legislative Fiscal Bureau**
Carbon copy (CC) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

LFB:.....Shanovich (DH) -

Topic:

Schedule of expenditures requirement for certain WEDC grants and loans

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mgallagh 6/10/2013	jdyer 6/10/2013	rschluet 6/10/2013	_____	sbasford 6/6/2013		
/P2				_____	sbasford 6/10/2013		

FE Sent For:

<END>

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/P1	mgallagh 6/6/2013	kfollett 6/6/2013	phenry 6/6/2013	_____	sbasford 6/6/2013		

FE Sent For:

6/16/13
-8
J
<END>

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/P1	mgallagh	1 P/15F 6/6	6/6 ph	_____	_____	_____	_____

FE Sent For:

<END>

Amend Tax Proposal

related to the fee.

Venue for Appeal of Certain TAC Decisions. Authorize appeals of TAC decisions related to DOR sales and use tax determinations and manufacturing property assessments to be made to the circuit court of the county in which the taxpayer's headquarters is located, where the taxpayer owns other property, or where the taxpayer transacts business in Wisconsin, instead of the Dane County circuit court.

Other Provisions

Sunset Estate Tax Statutes. Sunset the state estate tax statutes for deaths occurring after December 31, 2012. Specify that these statutes would again take effect if federal law is modified to provide a credit for state death taxes.

Economic Development Surcharge. Eliminate the economic development surcharge for farms, partnerships, and individuals, beginning in tax year 2013, and replace the foregone surcharge revenues with general purpose revenue. Provide \$8,000,000 GPR to WEDC in 2013-14 and 2014-15, and reduce SEG funding appropriated to WEDC by the same amounts.

 **WEDC Grants and Loans -- Schedule of Expenditures.** Require the WEDC Board of Directors to require, in the contract with each recipient of a grant or loan of \$100,000 or more, from a WEDC economic development program, the recipient to submit to WEDC a schedule of expenditures of the grant or loan funds signed by the director or principal officer of the recipient that attests to the accuracy of the schedule of expenditures. Also, specify that the Board must require the recipient to prepare a schedule of any grant or loan expenditures, including any cash or in-kind match, within 120 days after the end of the fiscal year in which the final grant or loan expenditures were made. In addition, require the recipient to engage a certified public accountant to perform appropriate, agreed-upon procedures to determine whether the recipient expended the grant or loan funds in accordance with the grant or loan contract. Specify that the agreed-upon procedures would have to be performed in accordance with applicable professional standards of the American Institute of Certified Public Accountants. Require recipients to make the schedule of grant or loan expenditures available for inspection.

Repeal the Grain Storage Tax. Eliminate the occupational tax on grain storage, which is imposed upon commercial operators of grain warehouses and elevators, in lieu of property taxes on the grain at the rate of ½ mill per bushel of wheat or flax handled or stored annually and ¼ mill per bushel of other grain. Specify that the tax would be repealed effective for taxes due in January of 2014, based on grain handled during calendar year 2012.

Note:

Table 2 shows the fiscal effects of the motion compared to AB 40. Table 3 presents additional detail regarding the income and franchise tax changes under the motion.



gf

LFB:.....Shanovich (DH) – Schedule of expenditures requirement for certain
WEDC grants and loans

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 40**

1 At the locations indicated, amend the bill as follows:

2 1. Page 916, line 3: after that line insert:

3 SECTION 2055L. 238.03 (3) (a) of the statutes is amended to read:

4 238.03 (3) (a) That each recipient of a grant or loan under the program of at
5 least \$100,000 submit to the corporation, within 120 days after the end of the
6 recipient's fiscal year in which any grant or loan funds were expended, a verified
7 statement describing the recipient's expenditure schedule of its expenditures of the
8 grant or loan funds, signed by ~~both an independent certified public accountant and~~
9 the director or principal officer of the recipient to attest to the accuracy of the ~~verified~~
10 statement schedule of expenditures. The recipient shall engage an independent
11 certified public accountant to perform procedures, approved by the corporation and

check

1 consistent with applicable professional standards of the American Institute of
2 Certified Public Accountants, to determine whether the grant or loan funds were
3 expended in accordance with the grant or loan contract. The board shall also require
4 the recipient of such a grant or loan to make available for inspection the documents
5 supporting the ~~verified statement~~ schedule of expenditures. The board ~~must~~ shall
6 include the ~~requirement~~ requirements under this paragraph in the contract with
7 grant or loan recipients. ' ,

History: 2011 a. 7.

8

(END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0336/P1dn
MPG:...



Date

Ron Shanovich:

e

X Should the draft include a requirement that the CPA's determination concerning whether the grant or loan funds were expended according to the contract be reported to the WEDC?

Please let me know if you have any questions.

Thank you.

Michael Gallagher
Legislative Attorney
Phone: (608) 267-7511
E-mail: michael.gallagher@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0336/P1dn
MPG:kjf:ph

June 6, 2013

Ron Shanovich:

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Michael Gallagher
Legislative Attorney
Phone: (608) 267-7511
E-mail: michael.gallagher@legis.wisconsin.gov

Gallagher, Michael

From: Shanovich, Ron
Sent: Friday, June 07, 2013 5:23 PM
To: Gallagher, Michael
Subject: LRB0336/p1

Mike Daryl thinks that the draft for schedule of expenditures should include the reference to any cash or in-kind match required. Page 1, line 8, after "funds." Ron

Ron Shanovich
Legislative Fiscal Bureau
(608) 266-8849

Gallagher, Michael

From: Shanovich, Ron
Sent: Monday, June 10, 2013 7:06 AM
To: Gallagher, Michael
Subject: RE: LRB0336/p1

Mike, I think it means matching cash. Ron

From: Gallagher, Michael
Sent: Monday, June 10, 2013 6:59 AM
To: Shanovich, Ron
Subject: RE: LRB0336/p1

I thought I had included something to the effect of, "including any matching funds," but it looked like that got omitted from the draft for some reason. Sorry about that. Does the "cash" reference mean any matching cash contributed by the recipient? In other words, do we mean cash match or in-kind match? Thanks.

Mike Gallagher
Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

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Sent: Friday, June 07, 2013 5:23 PM
To: Gallagher, Michael
Subject: LRB0336/p1

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(608) 266-8849



Handwritten initials: jld

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Handwritten in a circle: 1PZ

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8 (END)

and any matching cash or in-kind match ✓



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0336/P2
MPG:kjf&jld:rs

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9

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