

Fiscal Estimate Narratives

DOR 2/4/2014

LRB Number	13-0203/3	Introduction Number	AB-0725	Estimate Type	Original
Description Collection of certain utility arrearages by a municipal utility and the provision of municipal utility service to tenants					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) is authorized to intercept tax refunds in order to collect certain debts certified by other state agencies. After collecting DOR debts, the department collects remaining certified debts by subtracting the amounts from any tax refund otherwise owed to the debtor.

Under this bill, municipal utilities are required to submit unpaid utility debts owed by renters to the Department of Revenue for the tax refund intercept program (TRIP). In addition, if the property owner pays the delinquent utility bills, the municipality must transfer the lien to the property owner, and the property owner may submit the debt to DOR for collection.

The bill does not affect Wisconsin tax liabilities. However, DOR anticipates costs associated with administering the debt collection program for property owners. DOR expects to incur one time administrative costs of \$27,700 to implement the changes in the tax processing system, and annual costs of \$176,700 associated with hiring staff to administer the program.

DOR also anticipates that the bill will require nine months to implement. To the extent that the bill requires the changes to be effective six months after enactment, DOR may need to pursue a contract change, at additional cost, with the vendor that built the Wisconsin tax return processing and audit system.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Collection of certain utility arrearages by a municipal utility and the provision of municipal utility service to tenants			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$27,700 to implement the changes in the tax processing system			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$176,700		\$
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$176,700		\$
B. State Costs by Source of Funds			
GPR	176,700		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$176,700		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	
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		Date	
		2/4/2014	