



## Fiscal Estimate Narratives

DFI 1/26/2016

LRB Number <b>15-4125/1</b>	Introduction Number <b>AB-0732</b>	Estimate Type <b>Original</b>
<b>Description</b> Fee for filing limited liability company articles of organization with the Department of Financial Institutions		

### Assumptions Used in Arriving at Fiscal Estimate

Currently, the fee for filing on-line Articles of Incorporation for a limited liability company in Wisconsin is \$130. The fee for Wisconsin businesses forming a limited liability company submitting a paper filing is \$170.

This bill allows for a one-year exemption to the filing fee for students enrolled in the University of Wisconsin System or a technical college. The limited liability company being formed must be a business start-up in a field related to engineering, computer science, alternative energy research, biology, chemistry, physics, or other life science or physical science.

In 2015, over 32,000 new domestic LLC's were formed. Over 98% of these new entities filed on-line paying the \$130 filing fee. The remaining 2% paid the \$170 paper filing fee.

The Department does not now collect data related to whether a filer is a student or what their business purpose is. There is currently no mechanism to verify either status. It is unknown what amount of revenue would be reduced by the temporary exemption.

Because this exemption will require a change to our on-line system as well as database modifications, the Department will incur information technology costs. The Department estimates approximately 1,000 hours to update our systems, or approximately \$70,000.

### Long-Range Fiscal Implications