

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-0716/3	Introduction Number AB-0091
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Description
 requiring reports by common carriers shipping alcohol beverages into this state and providing a penalty

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(ha)	

Agency/Prepared By DOR/ Travis Arthur (608) 266-8565	Authorized Signature Jamie Adams (608) 266-6785	Date 4/9/2019
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Fiscal Estimate Narratives

DOR 4/9/2019

LRB Number	19-0716/3	Introduction Number	AB-0091	Estimate Type	Original
Description requiring reports by common carriers shipping alcohol beverages into this state and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The bill requires common carriers (any person holding itself out to the general public as a provider for hire of the transportation of merchandise) shipping alcohol beverages into Wisconsin to file a monthly report with the Department of Revenue.

The bill provides that the name and address of the consignee of the shipment (the person the alcohol beverages are shipped to) reported by a common carrier must be kept confidential by the department.

The bill is expected to increase alcohol tax and sale/use tax collections to the extent the bill results in additional reporting of taxable liquor, wine, and beer shipped into Wisconsin. The magnitude of the increase is indeterminate. The department does not have sufficient information to generate an estimate at this point.

The bill does not require any specific or new enforcement activities, nor does it provide funding for such activities. Reallocating existing resources would result in decreased revenues from current activities, effectively offsetting any revenue gains. As a result, the expected revenue impact is minimal.

Administrative costs:

The department estimates one-time administrative costs of \$8,200 for updating the state's tax processing system to accommodate the new reporting requirements along with \$6,570 to develop data handling procedures for auditors. Total one-time costs are expected to be \$14,770.

Ongoing administrative expenses for auditors (2 FTE) are estimated to cost \$182,700. These positions will gather and manage the data, send letters to companies shipping alcohol into Wisconsin, provide customer service, assist with processing permit applications, and bill companies that are not remitting liquor tax.

These costs cannot be absorbed under the current agency budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description requiring reports by common carriers shipping alcohol beverages into this state and providing a penalty			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time costs for software development and staffing are estimated to be \$14,770			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$182,700	\$
(FTE Position Changes)		(2.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$182,700	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (20.566(1)(ha))		182,700	
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			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$182,700	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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