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**Prepared Testimony by Rep. David Steffen before the
Assembly Committee on State Affairs and Government Operations
Assembly Bill 624: retaining invoices for the sale of malt beverages and intoxicating
liquors and the local option for issuing liquor licenses.
January 6, 2015**

Chairman Swearingen and Committee Members,

Thank you for scheduling a public hearing for Assembly Bill 624. This bipartisan bill is part of the administrative rules review project (i.e. Red Tape Review) conducted by the Ways and Means Committee this session. A review of Chapters 7, 8, and 9 of the Tax Code uncovered two outdated and overly burdensome items—this straightforward bill addresses these outdated rules and is strongly supported by the Grocers Association.

Under current Tax Code, retailers must retain 2 years of paper invoices for the purchase/sale of beer and liquor on their premises. This bill simply recognizes technological advances and allows for these records to be maintained in electronic form should the retailer choose to do so. Records would still need to be accessible on the retailer's premises.

This bill also addresses the outdated, Prohibition-Era statute known as the Local Option. The Local Option allows for the elimination of all alcohol licensing in a Wisconsin community via referendum. Not only is this statute inherently anti-business, it also supersedes the ability and control of local governments to regulate licensing. Should such a referendum pass, local businesses would lose their licenses for two years before being given an opportunity to gain them back via referendum. Establishing a dry district via the Local Option is an outdated law that erodes local control and unnecessarily puts Wisconsin businesses at risk of losing their liquor licenses. This bill repeals this archaic statute.

AB 624 is a commonsense and straightforward bill that ensures our state's Tax Code and relating statutes are up-to-date and do not create unnecessarily burdensome regulations. I strongly encourage you to support AB 624.

Thank you for allowing me to testify, and I welcome your questions and input.

Fiscal Estimate Narratives

DOR 1/6/2016

LRB Number 15-4031/1	Introduction Number AB-0624	Estimate Type Original
Description Retaining invoices for the sale of malt beverages and intoxicating liquors and the local option for issuing liquor licenses		

Assumptions Used in Arriving at Fiscal Estimate

RECORDKEEPING REQUIREMENTS

Current law requires any person who manufactures, distributes, transports, stores, or sells intoxicating liquor (distilled spirits, hard cider, or wine) or beer to keep complete and accurate records of such transactions. DOR has promulgated administrative rules that require retailers to retain copies of invoices covering all purchases of beer and intoxicating liquor for two years from the date of the invoice.

The bill modifies the recordkeeping requirements in statute and administrative rule so that retailers may retain records in electronic form only.

This provision is not expected to have any fiscal effect.

LOCAL OPTION FOR ISSUING LIQUOR LICENSES

Under current law, municipalities may hold referenda that would allow or disallow the municipality to issue retail licenses for the sale of beer or intoxicating liquor. Current law also allows municipalities to determine, through a referendum, whether a liquor store operated by the municipality should cease operation.

The bill removes the authority of municipalities to hold such referenda. The bill also removes current law provisions that allow residents of a residence district (any compact, contiguous territory within a municipality where not less than 100 and not more than 750 qualified electors reside) within the municipality to file a petition to prohibit the municipality from issuing retail licenses within the district.

This provision is not expected to have any fiscal effect.

Long-Range Fiscal Implications

