



## Legislative Fiscal Bureau

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March 27, 2019

TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: State Tax and Fee Modifications Included in the Governor's 2019-21 Budget Recommendations

The attached table provides a brief description of each state tax and fee modification proposed in the Governor's version of the budget (AB 56/SB 59). The table consists of three parts: (a) tax increases and decreases; (b) fee increases and decreases; and (c) enhanced collection measures. Each entry in the table includes the agency name, the Legislative Fiscal Bureau's budget document item that describes the change in more detail, a summary of the proposed modification, and an estimate of the revenue change due to the tax or fee modification.

In the table, GPR represents general fund revenue. Revenue to a program revenue account is signified by PR and SEG signifies revenue to a segregated fund. TANF refers to federal funding from the temporary assistance for needy families block grant. "Unknown" means that no estimate of the revenue impact is available at this time.

In summary, the changes included in the Governor's budget would increase net taxes by \$1,082,660,300 (\$577,978,300 in 2019-20 and \$504,682,000 in 2020-21) and would increase net fees by \$86,409,300 (\$34,160,000 in 2019-20 and \$52,249,300 in 2020-21). In addition, it is estimated that measures included in AB 56/SB 59 to enhance the collection of current taxes would generate an additional \$137,400,000 (\$41,300,000 in 2019-20 and \$96,100,000 in 2020-21).

The sum of these revenue changes in the 2019-21 biennium follows:

### Net Tax and Fee Changes

	<u>2019-20</u>	<u>2020-21</u>	<u>Total</u>
GPR	\$375,725,600	\$208,631,500	\$584,357,100
TANF	-16,000,000	-17,000,000	-33,000,000
PR	3,587,700	5,893,400	9,481,100
SEG	<u>248,825,000</u>	<u>359,406,400</u>	<u>608,231,400</u>
Total	\$612,138,300	\$556,931,300	\$1,169,069,600

### Enhanced Collection Measures

	<u>2019-20</u>	<u>2020-21</u>	<u>Total</u>
GPR	\$41,300,000	\$96,100,000	\$137,400,000

	2019-20	2020-21	Fund Source
<b>TAX INCREASES</b>			
<b>GENERAL FUND TAXES</b>			
<b>Limitation on Exclusion for Nonfarm Capital Gains.</b> [Page 134, Item 2]. Limit the exclusion for capital gains based on the taxpayer's federal adjusted gross income (AGI), beginning in tax year 2019. Prohibit taxpayers from claiming the exclusion if the taxpayer's federal AGI exceeds income thresholds of \$150,000 for married joint filers, \$100,000 for single and head-of-household filers, and \$75,000 for married separate filers. However, if a taxpayer's federal AGI, less 30% of eligible long-term gains from nonfarm assets, is below the income threshold amount, allow the taxpayer to claim an exclusion equal to 30% of the gain reduced by the amount of the taxpayer's federal AGI exceeding the income threshold.	\$285,100,000	\$220,000,000	GPR
<b>Manufacturing and Agriculture Credit (MAC) Limitation.</b> [Page 135, Item 3]. Limit the amount of qualified production activities income from manufacturing activities a claimant may use to compute the MAC to no more than \$300,000, beginning in tax year 2019. This provision would effectively provide for a maximum MAC claim of \$22,500 for income derived from manufacturing activities.	\$279,500,000	\$237,100,000	GPR
<b>Internal Revenue Code (IRC) Update.</b> [Page 136, Item 4]. With certain exceptions, update references to the IRC under state income and franchise tax statutes to refer to the code in effect on December 31, 2018, instead of December 31, 2017. The bill would also adopt seven provisions of the Tax Cuts and Jobs Act of 2017 that were not previously adopted in 2017 Act 231: (a) loss limitation for taxpayers other than corporations; (b) amortization of research and experimental expenditures; (c) accounting rules for accrual method taxpayers; (d) limitation on the deduction for business interest; (e) limitation on the deduction for entertainment, amusement, and recreation expenses; (f) limitation on the deduction of Federal Deposit Insurance Corporation premiums; and (g) modification of the limitation on the deduction for highly paid individuals. The administration estimates the provision would increase state tax revenues by \$187,850,000 in 2019-20, \$174,450,000 in 2020-21, \$250,675,000 in 2021-22, and \$224,625,000 in 2022-23.	\$187,850,000	\$174,450,000	GPR
<b>Sunset Private School Tuition Deduction.</b> [Page 139, Item 10]. Sunset the deduction for tuition expenses of up to \$4,000 for each elementary school pupil and up to \$10,000 for each secondary school pupil enrolled at a private school, beginning with tax year 2019.	\$12,100,000	\$12,200,000	GPR
<b>Net Operating Loss Carrybacks.</b> [Page 140, Item 13]. Repeal current law provisions under the individual income tax that allow net operating losses to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2019. The administration estimates the provision would increase state tax revenues by \$2,000,000 in 2019-20, \$4,100,000 in 2020-21, and \$2,000,000 in 2021-22 and 2022-23.	\$2,000,000	\$4,100,000	GPR
<b>Sunset Working Families Tax Credit.</b> [Page 143, Item 16]. Sunset the nonrefundable working families tax credit, effective in tax year 2019.	\$50,000	\$50,000	GPR

	2019-20	2020-21	Fund Source
<b>Broadcaster Apportionment Modifications.</b> [Page 144, Item 21]. Repeal several provisions related to the apportionment of broadcaster income under the individual income tax and corporate income/franchise tax, beginning in tax year 2019, to conform with the law previous to 2017 Act 59. The current law apportionment for broadcaster income would change from using the commercial domicile of the broadcaster's advertisers to using market-based sourcing based on audience share in Wisconsin.	\$16,200,000 \$590,000	\$13,300,000 \$480,000	GPR SEG
<b>Limit Eligibility for Refundable Research Tax Credit.</b> [Page 148, Item 29]. Specify that claimants under the electronics and information technology manufacturing zone tax credit program would not be eligible to receive the refundable portion of the research tax credit. The nonrefundable portion of the research tax credit could still be claimed.	Minimal	Minimal	GPR
<b>Deduction for Business Expenses for Moving Out-of-State.</b> [Page 148, Item 30]. Specify that, for taxable years beginning on January 1, 2019, expenses related to moving business operations outside the state (or the United States) may not be deducted for state income and franchise tax purposes.	\$500,000	\$500,000	GPR
<b>Addition for Low-Income Housing Tax Credit.</b> [Page 149, Item 31]. Require the low-income housing tax credit to be added back to the taxable income of the person or entity claiming the credit, similar to how other business tax credits are treated, for income and franchise tax purposes.	\$140,000	\$310,000	GPR
<b>Limit the Historic Rehabilitation Tax Credit.</b> [Page 149, Item 32]. Specify that the Wisconsin Economic Development Corporation (WEDC) may not certify anyone to claim more than a total of \$3,500,000 for the state historic rehabilitation tax credit, for any project, regardless of the number of parcels on which the project is undertaken, beginning July 1, 2019. Under current law, the amount of historic tax credits that WEDC can certify a person to receive is no more than \$3,500,000 for all rehabilitation projects undertaken on the same parcel. The bill would sunset the current law limit as of June 30, 2019.	Unknown	Unknown	GPR
<b>Sunset the State Supplement to the Federal Tax Credit for Nonhistoric Qualified Rehabilitated Buildings.</b> [Page 149, Item 33]. Sunset the state supplement to the federal tax credit for nonhistoric qualified rehabilitated buildings (buildings constructed prior to 1936) for taxable years beginning after December 31, 2018. The state supplement was effectively sunset under the federal Tax Cuts and Jobs Act of 2017, which repealed the federal credit.	Unknown	Unknown	GPR
<b>Tax Law Change Interaction Effects.</b> [Page 150, Item 35]. Increase income and franchise tax collections by an estimated \$4,900,000 in 2019-20, \$6,900,000 in 2020-21, and \$7,000,000 in 2021-22 and 2022-23 to account for the interaction effects of proposed changes regarding taxable income, tax rates, and tax credits.	\$4,900,000	\$6,900,000	GPR
<b>Repeal Sales Tax Exemption for Clay Pigeons and Game Birds.</b> [Page 153, Item 2]. Repeal the sales tax exemption for clay pigeons and live game birds sold to licensed bird hunting preserves and for clay pigeons sold to an eligible shooting facility, effective on the first day of the third month beginning after publication of the bill.	\$150,000	\$200,000	GPR

	2019-20	2020-21	Fund Source
<b>Repeal Sales Tax Exemption for Farm-Raised Deer.</b> [Page 153, Item 3]. Repeal the sales tax exemption for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state, effective on the first day of the third month beginning after publication of the bill.	\$90,800	\$121,000	GPR
<b>Impose Sales Tax on Medical Marijuana.</b> [Page 153, Item 4]. Impose the sales tax on retail sales of medical marijuana procured from a licensed dispensary on the effective date of the bill. Under current law, an exemption is provided from the general sales and use tax for retail sales of prescription drugs. The provision would specify that this exemption does not apply for sales of medical marijuana.	\$252,100	\$504,200	GPR
<b>Dispensary Surcharge on Sales of Medical Marijuana.</b> [Page 154, Item 1]. Impose a surcharge at the rate of 10% of the total price of medical marijuana sold or otherwise dispensed by a licensed dispensary, including any charge by the dispensary that is necessary to complete the sale. The provision would take effect on the effective date of the bill.	\$504,200	\$1,008,300	GPR
<b>Impose Tobacco Products Tax on Vapor Products.</b> [Page 154, Item 2]. Impose the tobacco products tax on vapor products at the rate of 71% of the manufacturer's list price to distributors and impose an inventory tax on vapor products held in inventory for sale or resale, effective on the first day of the third month beginning after publication of the bill. Any person liable for the inventory tax would be required to determine the number of vapor products in their possession on the first day of the third month following publication of the bill and pay the applicable taxes no later than 30 days thereafter. In addition, the bill would clarify the definition of manufacturer's list price under current law.	\$14,900,000	\$19,800,000	GPR
<b>Impose Cigarette Tax on Little Cigars.</b> [Page 155, Item 3]. Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax rate currently imposed on cigarettes. As a result, a pack of 20 little cigars not weighing more than three pounds per thousand would be subject to an excise tax rate of \$2.52 per pack of 20. A tax would be imposed on little cigars held in inventory on the effective date of the bill. Under current law, little cigars are subject to an excise tax at the rate of 71% of the manufacturer's established list price to distributors, not to exceed 50 cents per cigar. The cigar tax limit would not apply to the taxation of little cigars under the bill. The provision would take effect on the first day of the third month following publication of the bill.	\$2,900,000	\$3,900,000	GPR
<b>Limit Real Estate Transfer Fee Exemptions for Transfers Between Related Entities.</b> [Page 157, Item 5]. Limit certain current law exemptions from the real estate transfer fee as follows. For conveyances between related entities, specify that both the subsidiary and the parent must be a corporation for the exemption to apply. For conveyances made to provide or release security for a debt, specify that the exemption only applies to a conveyance where no transfer of ownership is made and clarify that, for a conveyance to be eligible for the exemption, the providing or releasing of security for an existing debt or obligation must be the sole purpose of the conveyance. The provisions would first apply to conveyances made on the effective date of the bill.	\$538,500	\$718,000	GPR

	2019-20	2020-21	Fund Source
<b>TRANSPORTATION</b>			
<b>Motor Vehicle Fuel Tax Rate Increase.</b> [Page 406, Item 6]. Increase the motor vehicle fuel tax rate (gasoline, gasoline blended with ethanol, and diesel) by eight cents per gallon resulting in a rate of 38.9 cents per gallon, effective October 1, 2019. The current law provisions related to the floor tax would apply to the proposed rate change. The Governor's recommendations did not include any revenues associated with the imposition of the floor tax. However, estimated revenue from the floor tax associated with the eight cent per gallon increase would be \$3.1 million for 2019-20.	\$210,451,000	\$277,573,800	SEG
<b>Annual Indexing of Motor Vehicle Fuel Tax Rate.</b> [Page 406, Item 7]. Restore the annual indexing of the state motor vehicle fuel tax rate by adjusting the tax rate on April 1, of each year, based on the annual average change in the consumer price index. The estimated revenue is based on two indexing adjustments, which would increase the fuel tax rate from 38.9 cents per gallon (a rate that includes the proposed eight cent per gallon increase) to an estimated 39.7 cents per gallon (0.8 cent increase) on April 1, 2020 and to an estimated 40.5 cents per gallon (0.8 cent increase) on April 1, 2021. Estimated revenues from the floor tax associated with these increases would be \$300,000 annually.	\$7,211,700	\$34,996,700	SEG
<b>SUBTOTAL -- TAXES -- INCREASES</b>	\$807,675,600 \$218,252,700	\$695,161,500 \$313,050,500	GPR SEG
<b>TAX DECREASES</b>			
<b>GENERAL FUND TAXES</b>			
<b>Family and Individual Reinvestment Credit.</b> [Page 134, Item 1]. Create a nonrefundable credit, beginning in tax year 2019, equal to the greater of 10% of the claimant's net tax liability or \$100 for single and head-of-household filers, \$50 for married joint filers, and \$25 for married separate filers. The credit percentage would phase down between \$80,000 and \$100,000 for single and head-of-household filers, \$125,000 and \$150,000 for married joint filers, and \$62,500 and \$75,000 for married separate filers, and the credit would phase out at the higher income thresholds for each filer type.	-\$421,550,000	-\$412,050,000	GPR
<b>Increase Earned Income Tax Credit (EITC) Percentages.</b> [Page 137, Item 6]. Modify the percentages used to calculate the EITC by increasing the percentages from 4% to 11% for claimants with one child and from 11% to 14% for claimants with two children, beginning in tax year 2019.	-\$10,400,000 -\$16,000,000	-\$9,700,000 -\$17,000,000	GPR TANF

	2019-20	2020-21	Fund Source
<b>Homestead Tax Credit -- Modifications to Formula Factors and Indexing.</b> [Page 138, Item 8]. Modify the formula for calculating the homestead tax credit as follows: (a) increase the maximum household income amount (the level at which the credit completely phases out) from \$24,680 to \$30,000, effective for claims filed for 2020 and thereafter; (b) for claimants with household income exceeding \$8,060, limit the credit to 80% of the amount by which property taxes, rent constituting property taxes, or both exceeds 6.655%, rather than 8.785%, of the household income exceeding \$8,060, and (c) index the income threshold and maximum property tax formula factors beginning in 2020, for claims filed beginning in 2021, and the maximum household income formula factor beginning in 2021, for claims filed beginning in 2022, to reflect inflation. The administration estimates the provision would increase state expenditures for refundable credit claims by \$38,900,000 in 2020-21, \$47,600,000 in 2021-22 and \$55,900,000 in 2022-23.	\$0	-\$38,900,000	GPR
<b>Individual Income Tax Rate Reduction Based on Sales Taxes from Out-of-State Retailers.</b> [Page 139, Item 9]. Modify the current law provision that requires a reduction in individual income tax rates in tax year 2019 to offset the additional sales and use tax collected from out-of-state retailers during the 12-month period from October 1, 2018, to September 30, 2019, by requiring the rate reduction be made to the lowest individual income tax rate (currently 4.0%), rather than to all four tax rates in proportion to the share of gross tax attributable to each of the four tax brackets established under current law.	Minimal	Minimal	GPR
<b>Child and Dependent Care Tax Credit.</b> [Page 139, Item 11]. Create a nonrefundable individual income tax credit for household and dependent care expenses, beginning with tax year 2020, equal to 50% of the amount of the federal household and dependent care expenses credit, authorized under the IRC, that is claimed by a taxpayer on his or her federal income tax return for the same tax year. Sunset the current law deduction for household and dependent care expenses beginning in tax year 2020.	\$0	-\$9,900,000	GPR
<b>Medical Care Insurance Deduction for Self-Employed Persons.</b> [Page 140, Item 12]. Modify the income limitation on the deduction under the individual income tax that self-employed persons may claim for medical care insurance for themselves, their spouse, and their dependents, beginning in tax year 2020. Repeal obsolete provisions regarding medical care insurance deductions that were sunset in prior tax years. The administration estimates the provision would reduce state tax revenues by \$9,500,000 in 2020-21 and \$9,100,000 in 2021-22 and 2022-23.	\$0	-\$9,500,000	GPR
<b>First-Time Home Buyer Savings Accounts.</b> [Page 141, Item 14]. Create a program administered by the Department of Revenue (DOR) allowing an individual to become an account holder by creating an account, either individually or jointly with his or her spouse, to pay or reimburse for the down payment and closing costs of a first-time home buyer's purchase of a single-family residence. Allow a subtraction from AGI for each account holder of up to \$5,000 per year, or \$10,000 if the account holder is a married joint filer, for each account to which the account holder makes a deposit. Limit the total amount subtracted to \$50,000 of deposits per account for each beneficiary. Withdrawals would not trigger a state tax, provided the proceeds would be used for eligible costs. The provisions would apply beginning in tax year 2020. The administration estimates the provision would reduce state tax revenues by \$4,100,000 in 2020-21, \$6,200,000 in 2021-22, and \$7,500,000 in 2022-23.	\$0	-\$4,100,000	GPR

	2019-20	2020-21	Fund Source
<b>Exclusion for Interest on Certain WHEFA Bonds and Notes.</b> [Page 142, Item 15]. Provide an exclusion from income under the individual income tax and the corporate income/franchise tax for interest received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority (WHEFA) provided the bonds or notes are issued in an amount totaling \$35,000,000 or less, if the interest is not otherwise exempt. Extend the exclusion to tax years beginning on January 1 of the budget act's effective date, except extend the exclusion beginning in the subsequent tax year if the budget act takes effect after July 31. The administration estimates the provision would reduce state tax revenues by \$130,000 in 2020-21, \$260,000 in 2021-22, and \$390,000 in 2022-23.	\$0	-\$130,000	GPR
<b>Enterprise Zone Tax Credit Program.</b> [Page 145, Item 23]. Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369. However, the bill would allow WEDC to designate up to 35 zones under the program, rather than 30 zones prior to Act 369, without approval of the Joint Committee on Finance. Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Committee under a 14-day passive review process.	Unknown	Unknown	GPR
<b>Business Development Tax Credits for Energy Efficiency and Use of Renewable Resources.</b> [Page 147, Item 26]. Authorize WEDC to award an additional tax credit under the business development tax credit program in an amount equal to up to 5% if the investment is made for purposes of energy efficiency or the generation of energy from renewable resources.	Minimal	Minimal	GPR
<b>Increase Refundable Portion of the Research Tax Credit.</b> [Page 147, Item 28]. Modify the partially refundable research tax credit, as computed under current law, to increase the refundable portion from up to 10% of the credit amount to up to 20% of the credit amount. The provision would first apply to new research credit claims beginning in tax year 2020. The administration estimates the provision would increase expenditures for refundable credit claims by \$2,250,000 in 2020-21 and \$9,000,000 in 2021-22 and 2022-23.	\$0	-\$2,250,000	GPR
<b>SUBTOTAL -- TAXES -- DECREASES</b>	-\$431,950,000 -\$16,000,000	-\$486,530,000 -\$17,000,000	GPR TANF
<b>FEE INCREASES</b>			
<b>AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>			
<b>Medical Marijuana Dispensary Licenses.</b> [Page 38, Item 2]. Create a program within DATCP for regulation and licensing of medical marijuana dispensaries. Establish initial application and recurring annual fees not less than \$250 and \$5,000, respectively, for operation of a medical marijuana dispensary, and authorize DATCP to establish higher fees by administrative rule. The fiscal estimate prepared by the Department of Health Services for 2017 Assembly Bill 482, which creates a comparable fee structure for dispensaries, estimates 10 dispensaries would be created in Wisconsin. Based on this estimate, application and annual licensing fees would be expected to generate at least \$52,500 in 2019-20 and \$50,000 in 2020-21 and annually thereafter.	\$52,500	\$50,000	PR



	2019-20	2020-21	Fund Source
<b>CHILDREN AND FAMILIES</b>			
<b>Child Support Custodial Parent Fee.</b> [Page 90, Item 2]. Increase the annual custodial parent fee for child support enforcement services from \$25 to \$35 to comply with federal law. All revenue from the fee is credited to a program revenue appropriation that partially funds child support enforcement activities.	\$774,600	\$1,032,800	PR
<b>INSURANCE</b>			
<b>Nonresident Insurance Appointment Fee.</b> [Page 234, Item 4]. Increase the annual fee for nonresident insurance appointments by \$10, from \$30 to \$40, effective January 1, 2020. Insurers are required to appoint intermediaries (generally, licensed insurance agents) who solicit, negotiate, or place insurance or annuities on behalf of the insurer. Annually, insurers report to OCI all appointments, and pay a fee for each resident and non-resident appointment. Annual resident appointment fees, currently \$16, would not change.	\$2,050,000	\$4,100,000	PR
<b>HEALTH SERVICES</b>			
<b>Medical Cannabis Registry.</b> [Page 225, Item 5]. Create a registry identification card, which an individual would need to be registered in a new Medical Cannabis registry administered by the Department of Health Services (DHS), and establish a fee of at least \$100, or a greater amount, as determined by the Department, for individuals who wish to obtain a registry identification card. Establish a fee paid by primary caregivers of registered individuals, in an amount determined by DHS, of at least \$250.	\$400,600	\$400,600	PR
<b>NATURAL RESOURCES</b>			
<b>Concentrated Animal Feeding Operation (CAFO) Fees.</b> [Page 304, Item 6]. Increase permit fees for CAFOs by \$315 annually and establish a fee of \$3,270 upon initial issuance of a permit and every five years thereafter. Assuming the issuance fee is first assessed upon renewal for existing CAFOs, additional revenues from this provision would be estimated at \$310,000 annually.	\$310,000	\$310,000	PR
<b>PUBLIC INSTRUCTION</b>			
<b>Public Library System Aid.</b> [Page 357, Item 17]. Provide \$2,500,000 in 2019-20 and \$4,000,000 in 2020-21 above base level funding of \$15,013,100 for public library system aid. Funding would be from the universal service fund, which receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.	\$2,500,000	\$4,000,000	SEG
<b>Badgerlink and Newslines for the Blind.</b> [Page 357, Item 18]. Provide \$345,800 in 2020-21 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newslines for the Blind. Funding would be from the universal service fund, which receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.	\$0	\$345,800	SEG

	2019-20	2020-21	Fund Source
<b>Library Service Contracts.</b> [Page 357, Item 19]. Provide \$133,200 in 2019-20 and \$168,100 in 2020-21 above base level funding of \$1,174,300 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information. Funding would be from the universal service fund, which receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.	\$133,200	\$168,100	SEG
<b>SAFETY AND PROFESSIONAL SERVICES</b>			
<b>Regulation and Licensure of Dental Therapists.</b> [Page 376, Item 10]. Authorize individuals to practice dental therapy in Wisconsin if they meet certain requirements and pay a biennial license fee. Credential fees for health care professionals regulated by DSPS are not specified in statute, but rather established biennially under a Joint Committee on Finance passive review process.	Minimal	Minimal	PR
<b>TRANSPORTATION</b>			
<b>Increase Registration Fees for Vehicles Registering Based on Gross Vehicle Weight.</b> [Page 407, Item 8]. Increase the registration fees for motor vehicles that are registered based on gross vehicle weight by 27%. The estimated revenue from the proposed fee change reflects the administration's intent to increase only the fees on vehicles with gross weights in excess of 8,000 pounds rather than all vehicles (some light trucks, vans, and sport utility vehicles).	\$15,579,800	\$20,773,100	SEG
<b>Increase Vehicle Title Fees.</b> [Page 408, Item 9]. Increase the base motor vehicle title and title transfer fees (both currently \$62) by \$10. Under the proposed increase, the base fee amounts due for these transactions would increase to \$72.	\$15,314,100	\$20,418,800	SEG
<b>Hybrid-Electric Vehicle Fee Definition.</b> [Page 408, Item 10]. Amend the definition of a hybrid-electric vehicle to mean a vehicle that is capable of using both electricity and gasoline, diesel fuel, or alternative fuel to propel the vehicle. A current law \$75 fee exists on certain hybrid-electric vehicles, as enacted under 2017 Act 59, that the Department is unable to assess on these vehicles. This modification to the definition would enable DOT to begin assessing the existing \$75 fee on hybrid-electric passenger vehicles in addition to the basic vehicle registration fee.	\$3,070,200	\$6,675,100	SEG
<b>SUBTOTAL -- FEES -- INCREASES</b>	\$3,587,700 \$36,597,300	\$5,893,400 \$52,380,900	PR SEG

	2019-20	2020-21	Fund Source
<b>FEE DECREASE</b>			
<b>ADMINISTRATION</b>			
<b>Educational Telecommunications Access Program.</b> [Page 22, Item 4]. Reduce funding for the Technology for Educational Achievement (TEACH) program by \$6,025,000 annually. If funds from the universal service fund (USF) are insufficient for this purpose, federal e-rate reimbursement monies may be utilized, to the extent revenue is available. Base funding for the TEACH program is \$15,984,200. Funding is provided from the USF, which receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.	-\$6,025,000	-\$6,025,000	SEG
<b>SUBTOTAL -- FEES -- DECREASES</b>	-\$6,025,000	-\$6,025,000	SEG
<b>ENHANCED COLLECTION MEASURES</b>			
<b>GENERAL FUND TAXES</b>			
<b>Repayment of Tax Credits.</b> [Page 149, Item 34]. Require that, no later than seven days after WEDC receives a repayment of tax credits, WEDC must remit the full amount of that payment to the Secretary of the Department of Administration for deposit in the general fund.	Minimal	Minimal	GPR
<b>Require Marketplace Providers to Collect Sales Tax.</b> [Page 150, Item 1]. Create provisions that would require a marketplace provider to collect and remit state sales or use tax on sales facilitated by the marketplace provider on behalf of a marketplace seller. The provision would take effect on the first day of the calendar quarter that is at least three months after publication of the bill, or, for a marketplace provider, the day on which the provider is notified by DOR to collect sales and use tax on sales made on behalf of third-party sellers, whichever is earlier.	\$26,800,000	\$67,100,000	GPR
<b>REVENUE</b>			
<b>Expand Auditing Activity.</b> [Page 367, Item 1]. Add 36.0 auditing and delinquent tax collection positions in DOR. Of these positions, 12.0 would be permanent delinquent tax collection positions and 24.0 would be auditing project positions authorized from October 1, 2019, through September 30, 2023.	\$14,500,000	\$29,000 000	GPR
<b>SUBTOTAL -- ENHANCED COLLECTION MEASURES</b>	\$41,300,000	\$96,100,000	GPR