



## Legislative Fiscal Bureau

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February 10, 1998

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 566: Sales and Use Tax Late Filing Fee

Assembly Bill 566 was introduced on October 17, 1997, and referred to the Assembly Committee on Ways and Means. The committee took executive action on the bill on December 10, 1997, and recommended the bill for passage by a vote of 14-1.

### **SUMMARY OF BILL**

Under current law, delinquent sales and use tax returns are subject to a \$10 late filing fee. However, the fee is not imposed in cases where the person who was required to file the return has died. AB 566 would increase the late filing fee for sales and use tax returns to \$30. The bill also includes a provision that the late filing fee would not be imposed in cases where there was a reasonable cause for late filing. A reasonable cause would not include neglect. These provisions would first apply to returns filed for tax periods beginning after January 1, 1999.

### **FISCAL EFFECT**

The increase in the sales and use tax late filing fee from \$10 to \$30 would result in an additional \$1.4 million in GPR revenues on an annual basis. Since the increase would first apply to tax periods beginning January 1, 1999, an additional \$700,000 in GPR revenues would be collected in 1998-99.

The Department of Revenue indicates that it would incur one-time administrative costs of \$36,400 for computer programming, revising tax forms and tax processing. However, the bill does not provide any additional funding to the Department.

Prepared by: Ron Shanovich

MO# Passage

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

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