

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - cigarettes and t.p.

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - SAT (11).

Topic:

Fifty percent maximum refund rate on cigarette refunds on tribes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/1			martykr 06/24/99	_____	ismith 06/24/99		

FE Sent For:

<END>

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ARC

7. *Minnesota-Wisconsin Boundary Area Commission.* Delete \$183,000 SEG in 1999-00 and \$188,000 SEG in 2000-01 from the water resources account of the conservation fund. Further, withdraw Wisconsin from the Commission (restores the Governor's recommendation).

8. *Commerce--Gaming Economic Development Grants.* Delete \$500,000 PR in 1999-00 from tribal gaming revenues for gaming economic development grants and loans. Further, reduce a grant to the City of Milwaukee for redevelopment activities in the Menomonee Valley from \$1.0 million to \$500,000 in 1999-00. Tribal gaming funding of \$500,000 in 1999-00 and \$1,000,000 in 2000-01 would remain for the Menomonee Valley grant.

9. *Tourism Marketing Earmark.* Delete the allocation of \$200,000 annually from the tourism tribal gaming marketing PR appropriation for grants to the Milwaukee Public Museum for Native American exhibits and activities. These funds would be available for general tourism marketing.

10. *Justice -- Telecommunications Attorney Position.* Move to modify the JFC provision relating to converting the current telecommunications attorney project position to permanent status by: (a) deleting \$119,200 PR and 1.0 PR position annually to remove funding and position authority associated with a telecommunications attorney position. In addition, delete the statutory language, which will sunset on June 30, 1999, related to: (a) authorization for the PSC to assess utilities for the cost of one attorney position, including the cost of supplies, services and equipment related to the position; (b) authorization to encumber monies from the telecommunications positions appropriation; and (c) authority for the Attorney General to appear before the PSC on telecommunications matters relating to consumer protection and antitrust.

1176

11. *Cigarette Tax Refunds and Tax on Tobacco Products.* Retain a provision by the Joint Finance Committee that would: (a) specify a maximum refund rate to Native American tribes for cigarette taxes paid on sales to non-tribal members; and (b) authorize the Department of Revenue to negotiate the refund rate with individual tribes at or below the maximum. However, establish the maximum rate at 50%, rather than the 70% rate specified by the Joint Finance Committee. Estimate reductions in cigarette tax refunds of \$1,836,000 GPR in 1999-00 and \$2,397,000 GPR in 2000-01. The estimated fiscal effect assumes that the tribes that are currently selling only stamped cigarettes would continue to do so and that refunds would be made at the 50% rate. If new agreements were negotiated at rates below the maximum, the refund expense to the state could be lower. However, if the tribes did not continue selling taxed cigarettes to non-tribal members, the state could see reductions in both tax collections and refunds from cigarette sales on reservations.

12. *Tobacco Products Tax Refunds.* Retain the recommendation of both the Governor and the Joint Finance Committee to convert the tobacco products tax from an occupational tax to an excise tax. In addition, retain a provision by the Joint Finance Committee that would: (a) specify a maximum refund rate to Native American tribes for tobacco products taxes paid on sales to non-tribal members; and (b) authorize the Department of Revenue to negotiate the refund rate with individual tribes at or below the maximum. However, establish the maximum rate at 50%, rather than the 70% rate specified by the Joint Finance Committee. There is no fiscal effect



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb11767

JK:.....

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ARC:.....Kratowill - SAT(11), Fifty percent maximum refund rate on
cigarette refunds on tribes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SDON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1140, line 22: delete "70%" and substitute "50%". ✓

3 (END)

