

Fiscal Estimate Narratives

DOR 4/20/01

LRB Number 01-2842/3	Introduction Number SB-152	Estimate Type Original
Subject Uniform sales tax and use tax administration act		

Assumptions Used in Arriving at Fiscal Estimate

This bill is a product of the Streamlined Sales Tax Project (SSTP), a multistate initiative to simplify and modernize states' sales and use tax administration to reduce the tax compliance burden for all sellers and all types of commerce, including electronic commerce. The bill enables Wisconsin to continue to participate in the SSTP and, taken alone, has no fiscal effect. Any fiscal effect resulting from the SSTP would require enactment of additional legislation conforming Wisconsin sales and use tax rates and tax base as agreed by the states participating in the SSTP.

The bill authorizes the Department of Revenue (DOR) to enter into the Streamlined Sales and Use Tax Agreement (SSUTA). Under the bill, DOR may not enter into the SSUTA unless the member states, including Wisconsin, fulfill certain requirements, including:

1. Developing and adopting uniform definitions related to sales and use taxes,
2. Providing a central electronic registration system that allows a seller to register to collect and remit sales and use taxes for all states that are signatories of the agreement,
3. Restricting the frequency of changes in local sales and use tax rates and providing notice of such changes, and
4. Adopting a uniform policy for certified service providers that protects a consumer's privacy and maintains tax information confidentiality.

In addition, under the bill, DOR, jointly with the other states that have entered into the SSUTA, may establish standards for certifying service providers and software to assist out-of-state sellers with the collection of sales and use taxes. The bill also allows DOR to jointly procure goods and services in furtherance of the SSUTA and to take other actions reasonably necessary to implement the bill.

Long-Range Fiscal Implications

None.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-2842/3	Introduction Number SB-152
Subject	
Uniform sales tax and use tax administration act	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):	
Administrative costs are expected to be minimal and would be absorbed by the Department.	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$
(FTE Position Changes)	
State Operations - Other Costs	
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$
B. State Costs by Source of Funds	
GPR	
FED	
PRO/PRS	
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	\$
NET CHANGE IN REVENUE	\$
Agency/Prepared By	Authorized Signature
DOR/ Blair Kruger (608) 266-1310	Dennis Collier (608) 266-5773
	Date
	4/20/01