



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 14, 2005

MEMORANDUM

To: Representative Pettis

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **2005 AB-298** (LRB 05-1391/4)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 13, 2005

TO: Marc Shovers
Legislative Reference Bureau

FROM: Blair Kruger
Department of Revenue

SUBJECT: Technical Memorandum on 2005 A 298 Regarding Tourism Promotion and Development under the Room Tax Law

We have the following concerns with the bill.

The bill directs the Department of Revenue (DOR) to impose a "surcharge" on municipalities that have improperly used their room tax revenue. Except for the room tax imposed by the Wisconsin Center District, DOR does not administer the room tax law. Thus, there is no state charge for collecting the room tax on which a "surcharge" could be imposed, and no tax from which the "surcharge" could be withheld.

Assigning DOR responsibility for final review of room tax usage is costly and duplicative of efforts of the Department of Tourism.

The \$10 forfeiture retained by DOR for its auditing and enforcement duties under the bill would fall short of the administrative costs.

If you have any questions regarding this technical memorandum, please contact Daniel Huegel at 266-5705.

cc: Representative Mark Pettis