



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 5, 2007

MEMORANDUM

To: Senator Risser

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

Subject: Technical Memorandum to **2007 SB 112** (LRB-2201/1) by **DOR**

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.

M E M O R A N D U M

March 28, 2007

TO: Marc Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on Senate Bill 112: Nonrefundable Credit for Political Contributions

The Department has the following concerns related to the bill:

The term "lawful amount" should be defined.

It appears an individual who is a candidate could contribute \$100 to his or her own campaign and claim the credit. Or an individual could contribute to his/her spouse's campaign and claim the credit. Is this the intent?

It appears this would apply to all candidates for public office at the state, local, and national level. If this is not the intent, clarification is needed.

It would be simpler for the taxpayer if the credit were a fixed percentage of the contribution. Under this proposal, the taxpayer will first have to determine marginal tax rate (4.6%, 6.15%, 6.50% or 6.75%) from tables that would have to be included in the booklet and then multiply that times the amount contributed to determine the credit. This is a complicated procedure for a credit that is worth a maximum of \$6.75 per taxpayer.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	Chapter 20	Amount	FTE
annual	s. 20.566 (1) (a)	\$ 13,100	

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@dor.state.wi.us.

cc: Senator Risser