



Stephen R. Miller  
Chief

# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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February 20, 2008

## MEMORANDUM

**To:** Sen. Fred Risser  
Room 220 South, Capitol

**From:** Jeff Kuesel, Managing Attorney  
Marc Shovers, Senior Legislative Attorney

**Subject:** Dec. 2007 Sp. Sess. SB-1 relating to campaign financing – Technical note by  
Department of Revenue

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In the attached technical note, the Department of Revenue makes 3 points:

1. SECTION 158 – DOR suggests that a loan or advance that is expected to be repaid be made ineligible for the proposed tax credit. You may wish to consider making that change.

2. SECTION 140 – DOR states that the certification of eligible political parties for the proposed partisan checkoff will not be made in time to be reflected on income tax forms for the year in which the certification is made. The bill does not require this to be done. Because the information required to make the certification is not available until after DOR would need it in order to be reflected on the income tax forms, we do not feel that its is possible to address this concern. Under the bill, the certification is reflected on income tax forms at the next printing after the certification is made.

3. SECTION 160 – DOR states that additional clarity is needed to inform tax filers of the options available to them. Under the bill, there are two options for tax filers: a) a party designation; or b) no party designation. The bill provides an apportionment formula for the moneys that tax filers direct without a party designation. Since under the bill, there is nothing a tax filer can do to change the method of apportionment, we do not see that additional specificity is necessary.

cc: Bill file

David Lovell, L.C. Staff  
Mark Patronskey, L.C. Staff

## MEMORANDUM

February 1, 2008

**TO:** Jeffery Kuesel  
Marc Shovers  
Legislative Reference Bureau

**FROM:** Rebecca Boldt  
Department of Revenue

**SUBJECT:** Technical Memorandum on Senate Bill 1: Campaign Finance Reform

The Department has the following concerns related to the bill:

For purposes of the public integrity endowment tax credit, "contribution" is defined in sec. 11.01(6) and includes "a gift, subscription, loan, advance...". It does not appear that a loan should qualify for the credit as the amount would be repaid.

Section 11.50(14)(a)2 provides that the board must certify the names of certain political parties to the department by December 15. This is too late to incorporate the names of the parties into the tax forms for that year. The forms are sent to the printer between October 15 and November 15. Any delay until December would mean that tax forms would not be available to the public until sometime in February. It is not clear if, instead, it is the intent that names of political parties as provided under sec. 11.50(14)(a)1 be included on, for example, 2008 forms and those names of political parties as provided under sec. 11.50(14)(a)2 be included on the next year's forms.

Section 160 of the bill provides that individuals "may designate \$5 for transfer to the Wisconsin election campaign fund and the democracy trust fund for the use of eligible candidates..." It is unclear whether there are to be two separate designations on the return where individuals may designate \$5 to the election campaign fund and another \$5 to the democracy trust fund. Alternatively, an individual could choose to designate \$5 to either the election campaign fund or the democracy trust fund. Or there could be only one designation to the election campaign fund, but a portion of those designations is used to fund the democracy trust fund and no change is needed to the listed designation to the election campaign fund. Clarification is needed.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or [bradley.caruth@revenue.wi.gov](mailto:bradley.caruth@revenue.wi.gov).