

2007 DRAFTING REQUEST

Bill

Received: **11/17/2006**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-7597**

By/Representing: **Easton**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Easton, BB0151 -

Topic:

Administration of individual income tax checkoffs

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>
/?	mshovers 11/17/2006	wjackson 11/17/2006		_____			
/1			jfrantze 11/20/2006	_____	sbasford 11/20/2006		

FE Sent For:

<END>

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1?	mshovers	1 wj 11/17					
1	MES	11/17/06					

J. Self
11/20

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Check-off Symbols
- Tracking Code: BB0151
- SBO team: Tax and Local Government
- SBO analyst: Easton
 - Phone: 6-7597
 - Email: Darren.easton@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): Low

TITLE: Efficiencies for Income Tax Check-Off for Voluntary Payments

DESCRIPTION OF CURRENT LAW AND PROBLEM

Effective with 2005 Wisconsin Acts 25, 71 and 460, there are now six income tax return check-offs for voluntary payments. The Department of Revenue's administrative appropriation [s. 20.566(1)(hp)] is now entitled "Administration of Endangered Resources; Professional Football District; Breast Cancer Research; Veterans Trust Fund; Multiple Sclerosis Programs; Prostate Cancer Research Voluntary Payments". This lengthy title is cumbersome and results in an unreadable title in the Chapter 20 schedule of the statutes, and state budget and accounting systems.

In addition, the current law stipulates that the Department of Revenue must place a symbol related to the endangered resources and local professional football stadium district donations on all income tax returns to highlight the donation line on the return. The law does not stipulate which type of forms this symbol is required for. The department creates official department printed forms and also approves substitute forms created by third party vendors.

The majority of income tax returns are prepared using software developed by third party vendors, and are therefore not submitted on the department's printed forms. The Department of Revenue does approve all substitute forms; however, many of the software developers have indicated that they cannot reproduce the endangered resources and local professional football stadium district donation symbols in their software and forms. The department has been allowing a waiver of this requirement upon written request from the software developer for several years.

RECOMMENDATION FOR ACTION

Rename the Department of Revenue's administrative appropriation. Add language to s. 71.10(5)(g) and 71.10(5e)(g), Wis. Stat., to clarify that only Department of Revenue official printed forms will be required to contain the endangered resources and local professional football district donation symbols.

ADMINISTRATIVE IMPACT

There will be no administrative impact on renaming the administrative appropriation. The change for third party vendor substitute forms will give the Department of Revenue the ability to approve substitute forms without the donation symbol and without requiring a written waiver request from the software/form developer. It will save the department time and money by not having to answer vendor questions on the subject and review and respond to waiver requests.

FAIRNESS /TAX EQUITY

None.

IMPACT ON ECONOMIC DEVELOPMENT

None.

FISCAL EFFECT

None. This will not affect the amount of money donated to endangered resources. The law only requires that the symbol be printed on income tax forms, not that it be displayed in tax preparation software. Since the taxpayer has already been prompted to donate to both endangered resources and the local professional football stadium district while using the software (long before the return is produced on paper), it is unlikely the taxpayer will change his/her mind after printing the return and viewing the symbol if produced.

DRAFTING INSTRUCTIONS

Rename s. 20.566(1)(hp), Wis. Stats., to Administration of Income Tax Check-Off Voluntary Payments.

Add the words *department printed* to the statute as follows:

“The secretary of revenue shall provide a place for the designations under this subsection on the individual income tax return and the secretary shall highlight that place on the **department printed** return by a symbol chosen by the department of revenue that relates to endangered resources”.

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

The day after publication.

INTERESTED/AFFECTED PARTIES

Approximately twenty-two income tax software developers.

DOR CONTACT PERSON

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State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0838/7

MES.....

Wlj R MNR

DOA:.....Easton, BB0151 - Administration of individual income tax checkoffs

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

1 AN ACT ...; relating to: administrative changes on income tax forms relating to
2 individual income tax checkoff voluntary payments.

Analysis by the Legislative Reference Bureau

✓ TAXATION

✱ INCOME TAXATION ✓

Currently, with regard to the endangered resources and local professional football stadium district income tax checkoffs, the secretary of revenue is required to highlight that place on the income tax return with an appropriate symbol. Under this bill, such a requirement applies only to forms printed by the Department of Revenue.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 20.566 (1) (hp) (title) of the statutes is amended to read:

4 20.566 (1) (hp) (title) ~~Administration of endangered resources; professional~~
5 ~~football district; breast cancer research; fire fighters memorial; veterans trust fund;~~

1 ~~multiple sclerosis programs; prostate cancer research~~ income tax checkoff voluntary

2 payments.
→ NOTE: bud

History: 1971 c. 108 ss. 2, 3, 6; 1971 c. 125 ss. 164, 173, 174, 175, 176; 1971 c. 211, 215; 1973 c. 90; 1975 c. 39 ss. 201, 732 (1); 1977 c. 29, 31, 418; 1979 c. 34 ss. 610m to 617, 2102 (46) (c); 1979 c. 63 ss. 3, 6; 1979 c. 177, 221; 1981 c. 20; 1981 c. 86 ss. 7, 71; 1981 c. 328 s. 4; 1983 a. 27 ss. 469 to 477; 1983 a. 368; 1983 a. 410 s. 2202 (38); 1985 a. 29 ss. 536 to 537r, 3202 (39) (a), (46) (c), (i); 1985 a. 41, 120; 1987 a. 27 ss. 444 to 458, 3200 (47); 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31, 335; 1991 a. 39, 259, 269; 1993 a. 16, 205, 263, 490; 1995 a. 27 ss. 546h to 546t, 1111mm to 1119r; 1995 a. 56, 227, 351; 1997 a. 27, 35, 41, 63, 148, 237, 252; 1999 a. 5, 9; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16; 2001 a. 30 s. 108; 2001 a. 109; 2003 a. 33, 127, 139, 176, 231; 2005 a. 25, 71, 323, 460; s. 13.93 (2) (c).

3 SECTION 2. 71.10 (5) (g) of the statutes is amended to read:

4 71.10 (5) (g) Tax return. The secretary of revenue shall provide a place for the
5 designations under this subsection on the individual income tax return and, on forms
6 printed by the department of revenue, the secretary shall highlight that place on the
7 return by a symbol chosen by the department of revenue that relates to endangered
8 resources.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; s. 13.93 (1) (b) and (2) (c).

9 SECTION 3. 71.10 (5e) (g) of the statutes is amended to read:

10 71.10 (5e) (g) Tax return. The secretary of revenue shall provide a place for the
11 designations under this subsection on the individual income tax return, and, on
12 forms printed by the department of revenue, the secretary shall highlight that place
13 on the return by a symbol chosen by the department that relates to a football
14 stadium, as defined in s. 229.821 (6).

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; s. 13.93 (1) (b) and (2) (c).

15 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0838/1
MES:wlj:jf

DOA:.....Easton, BB0151 - Administration of individual income tax
checkoffs

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

- 1 **AN ACT ...; relating to:** administrative changes on income tax forms relating to
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- 3 **SECTION 1.** 20.566 (1) (hp) (title) of the statutes is amended to read:
4 20.566 (1) (hp) (title) *Administration of endangered resources; professional*
5 *football district; breast cancer research; fire fighters memorial; veterans trust fund;*

1 ~~multiple sclerosis programs; prostate cancer research~~ income tax checkoff voluntary
2 payments.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 **SECTION 2.** 71.10 (5) (g) of the statutes is amended to read:

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15 (END)