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STATE GOVERNMENT
STATE FINANCE

The bill requires the secretary of administration to lapse to the general fund or transfer to the general fund from the unencumbered balances of state operations appropriations, other than sum sufficient appropriations and appropriations of federal revenues, an amount equal to \$40,000,000 during each fiscal year of the 2007-09 and 2009-11 fiscal biennia.

*** ANALYSIS FROM -1202/1 ***

STATE GOVERNMENT
STATE FINANCE

Current law requires the State of Wisconsin Investment Board (SWIB) to estimate its operating expenses for the next six-month period and to assess each fund ^{it manages} for which it has management responsibility ^{for} its share of the expenses in an equitable manner. ~~However~~, SWIB's assessment may not exceed the greater of \$20,352,800 or 0.0275 percent of the average market value of the assets of the funds at the end of each month between November 30 and April 30 of the preceding fiscal year.

This bill requires SWIB, annually on September 1, to assess each such fund for its share of SWIB's operating expenses for the current fiscal year and caps the assessment at the greater of the amount that SWIB could have assessed the funds

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in the second year of the prior fiscal biennium or 0.0325 percent of the average market value of the assets of the funds at the end of each month between November 30 and April 30 of the preceding fiscal year.

*** ANALYSIS FROM -1570/2 ***

~~STATE GOVERNMENT~~
~~STATE FINANCE~~

Current statutes contain a rule of proceeding governing legislative action on certain bills. ^{that} Generally, the rule provides that no bill directly or indirectly affecting general purpose revenues ^(GPR) may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total ~~general purpose revenue~~ ^{GPR} appropriations for that fiscal year. For fiscal year 2007-08, the amount is \$65,000,000; for fiscal year 2008-09, the amount is \$65,000,000; and ^{for} each fiscal year thereafter, the amount is 2 percent of total general purpose revenue ^{GPR} appropriations for that fiscal year.

fiscal year

This bill provides that for fiscal year 2007-08, the amount is \$100,000,000; for 2008-09, the amount is \$100,000,000; for fiscal year 2009-10, the amount is \$150,000,000; for fiscal year 2010-11, the amount is \$150,000,000; and for 2011-12 and each fiscal year thereafter, the amount is 2 percent of total ~~general purpose revenue~~ ^{GPR} appropriations for that fiscal year.

fiscal year

GPR

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Current statutes also contain a rule of proceeding restricting the total amount of ~~general purpose revenues (GPR)~~ that may be appropriated by the state in a fiscal biennium. Current law ~~however~~ contains numerous exceptions of appropriations that are not subject to the restriction. This bill exempts from the ~~GPR spending~~ restriction appropriations that are made to fund the school tax levy credit and to fund payments to municipalities for the cost of providing tax exemptions for certain property.

*** ANALYSIS FROM -0428/1 ***

~~STATE GOVERNMENT~~
~~STATE FINANCE~~

Currently, every fiscal biennium, one-third of all state agencies prepare a base budget review report that contains a description of each programmatic activity of the state agency; an accounting of all expenditures in each of the prior three fiscal years, arranged by revenue source and expenditure category for that state agency; and, for each programmatic activity of the state agency, an accounting of all expenditures, arranged by revenue source and expenditure category in the last two quarters in each of the prior three fiscal years. ^{e This} The bill eliminates the report.

*** ANALYSIS FROM -1640/1 ***

STATE GOVERNMENT**PUBLIC UTILITY REGULATION**

Under current law, a program administered by the PSC for making grants for upgrading wireless emergency “911” telephone systems is no longer in effect approximately three and a half years after the effective date of certain rules promulgated by the PSC. Because the rules had an effective date of October 1, 2005, the program is no longer in effect after April 1, 2009. This bill amends the appropriation for the grant program to clarify that no moneys may be encumbered or expended from the appropriation after April 1, 2009.

***** ANALYSIS FROM -0638/P2 *******STATE GOVERNMENT****OTHER STATE GOVERNMENT**

Under current law, DOA performs information technology services for agencies and may charge agencies for these services. This bill authorizes DOA to implement ~~maintain, operate, and upgrade~~ an integrated business information system (IBIS) capable of providing information technology services to all agencies and authorities, including the legislature and the courts, in the areas of human resources, procurement, and asset management. ~~The bill requires executive branch agencies, excluding the Board of Regents of the University of Wisconsin System, to use IBIS.~~

TKK

The bill ~~creates four new appropriations.~~ The bill appropriates to DOA all revenues received by DOA ~~from assessments or charges for services performed for agencies and for authorities and local governmental units~~ by IBIS [?] to be used for the purpose of supporting IBIS. The bill also creates supplemental program revenue and segregated revenue appropriations to finance the unbudgeted costs incurred by state agencies for IBIS services.

*** ANALYSIS FROM -1601/3 ***

STATE GOVERNMENT

OTHER STATE GOVERNMENT

SUB
Electronic Government

Under current law, unless otherwise empowered by law, no state agency may contract or create ~~directly or indirectly~~ any debt or liability against the state ~~for or on account of any state agency~~ in excess of an appropriation of money by the state to pay such debt or liability.

This bill authorizes the creation of liabilities and the expenditure of moneys appropriated for information technology services provided to agencies through ~~an integrated business information system (IBIS)~~ and for printing, mail, communication, and information technology services to state agencies in an additional amount not exceeding the depreciated value of the equipment used to provide information technology services to agencies through IBIS and to provide

printing, mail, communication, and information technology services to state agencies respectively.

*** ANALYSIS FROM -1182/P3 ***

STATE GOVERNMENT

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OTHER STATE GOVERNMENT

This bill creates a division of legal services in DOA that is authorized to provide legal services to executive branch agencies. With certain exceptions, this bill transfers all attorney positions and all legal staff positions in executive branch agencies to the Division of Legal Services effective on July 1, 2008. This bill also transfers all positions identified as hearing examiners, hearing officers, or administrative law judges, other than such positions in DWD, to the Division of Hearings and Appeals in DOA. Attorney positions in DOJ, the Office of the State Public Defender, the PSC, the UW System, the Employment Relations Commission, the State of Wisconsin Investment Board, the Elections Board, the Ethics Board, and the Office of the Governor are exempt, as are all state employees working in an office of a district attorney. In addition, the bill retains a general counsel or lead attorney position in each of 17 major state agencies and offices.

agency office

Under this bill, executive branch agencies that are authorized or required to employ or retain an attorney may do so only in the following ways: (1) employ an

KTF

attorney in a position authorized by law; (2) contract with DOA for legal services; (3) allow DOJ to furnish legal services if DOJ is required by law to furnish the services; (4) allow or contract with the Division of Hearings and Appeals to furnish legal services if the Division of Hearings and Appeals is required or authorized by law to furnish the services; or (5) employ or retain any attorney who is not a state employee, subject to the approval of the governor.

*** ANALYSIS FROM -1278/3 ***

JTK



Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law. Currently, the Building Commission may sell all or any part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state-owned land, subject in most cases to the approval of the Joint Committee on Finance, and may sell certain state-owned land

~~in the vicinity of the state capitol~~ However, under a special law enacted in 2005, DOA is authorized to offer for sale and sell certain state property if the Building Commission authorizes the property to be offered for sale before July 1, 2007. Under that law, sales may be either on the basis of public bids or negotiated prices, and need not reflect fair market value. Sales may be with or without the approval of the state agency that has jurisdiction over the property.

With certain exceptions, this bill permits DOA to sell state property under similar terms and conditions to those specified under current law, except that, under the bill, DOA may offer an eligible parcel of property for sale contingent upon approval of any offer of sale by the Building Commission if the offer is approved by the commission during the period beginning on the day this bill becomes law and ending on June 30, 2009.

~~Currently, the proceeds of sales of real property by the Board of Regents of the University of Wisconsin System are appropriated for various purposes. However, with certain exceptions, the net proceeds of sales before July 1, 2007, must be used for the operation of the UW System.~~

JTK

This bill imposes the same requirement for the net proceeds of any sales of real property by the Board of Regents that occur during the period beginning on the day this bill becomes law and ending on June 30, 2009, subject to the same exceptions.

*** ANALYSIS FROM -0997/1 ***

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Under current law, persons who hold credentials issued by DRL are required to renew the credentials every two years. Current law specifies a fee for renewal of each credential. Current law also specifies a fee for issuance of an initial credential for which no examination is required, and for issuance of a reciprocal credential. Also under current law, DRL must submit a biennial budget request containing the following: 1) a recalculation of the administrative and enforcement costs attributable to each occupation or business for which DRL issues a credential; and 2) recommended changes to the fee DRL assesses for an initial credential, to the fee for issuance of a reciprocal credential, and to each credential renewal fee.

This bill deletes the fees specified for issuance of initial and reciprocal credentials and for credential renewal. The bill requires DRL to determine the fees for the succeeding fiscal biennium by using the methodology prescribed under current law for preparing its biennial budget request. The bill requires DRL to

must

submit to the cochairpersons of the JCF a report containing the proposed adjusted fees. The cochairpersons may hold a hearing to review the proposed adjusted fees by giving notice within 14 days after the report is delivered. Under the bill, if JCF approves the proposed adjusted fees, DRL must post the adjustments on DRL's Web site and in credential renewal notices sent to current credential holders.

Handwritten notes: "of the JCF, who" with an arrow pointing to "The cochairpersons"; "to the" with an arrow pointing to "The cochairpersons"; "Under the bill" underlined.

*** ANALYSIS FROM -0426/1 ***

STATE GOVERNMENT

OTHER STATE GOVERNMENT

Current law requires DRL to obtain two fingerprint cards from an applicant for a private detective license or private security permit and from an applicant for a credential for which DRL conducts criminal background checks. Also under current law, an employee of certain licensed private detective agencies is not required to obtain a private detective license if the agency furnishes to DRL certain information about its employees, including two fingerprint cards.

Handwritten note: "from the agency's employees." with an arrow pointing to "certain information about its employees".

Handwritten note: "not" with a checkmark and an arrow pointing to "Currently".

Currently, DRL is required to grant a temporary private security permit to an applicant for a private security permit if the applicant requests a temporary permit and DRL is not able to grant or deny a permanent permit because the applicant's background check is not complete. A temporary permit is valid for 30 days or until DRL grants or denies a permanent permit. A temporary permit holder may act in

Handwritten note: "if" with an arrow pointing to "to an applicant".

the same manner as a permanent permit holder, except that a temporary permit holder may not carry a dangerous weapon while acting as a private security person.

This bill deletes the requirement that fingerprints be submitted to DRL on two fingerprint cards. Instead, fingerprints must be submitted using a procedure specified by DRL. The bill also deletes the requirement that DRL issue temporary private security permits.

↓ stays

*** ANALYSIS FROM -0185/1 ***

STATE GOVERNMENT
OTHER STATE GOVERNMENT

Under current law, DRL and examining boards and affiliated credentialing boards attached to DRL (boards) are generally authorized to limit a credential issued by DRL or a board after disciplinary proceedings against a person who holds such a credential. Currently, "limit" is defined as imposing conditions and requirements upon the credential holder and restricting the scope of the holder's practice.

Under the bill, "limit" is defined as imposing conditions and requirements upon the credential holder or restricting the scope of the holder's practice.

*** ANALYSIS FROM -1432/2 ***

STATE GOVERNMENT
OTHER STATE GOVERNMENT

JTK

Currently, the National and Community Service Board, which is attached to DOA for administrative purposes, qualifies for federal financial assistance. The

board also receives state funding from state agencies to which the board provides services and funding from gifts, grants, and bequests. This bill directs DOA to annually determine the amount of state funding for administrative support of the board that is required for this state to qualify for federal financial assistance to be provided to the board. The bill directs DOA to apportion that amount equally to the departments of administration, health and family services, public instruction, and workforce development. The bill then directs DOA to assess those entities for the necessary funding.

JTK

health services on and after July 1, 2009)

The bill also deletes a requirement for DOA to pay this state's dues to the Midwestern Higher Education Compact. Under a separate law, the Board of Regents of the UW System is required to pay these dues.

*** ANALYSIS FROM -1009/6 ***

TAXATION

PROPERTY TAXATION

This bill creates a property tax credit for improvements on real property. Under the bill, annually, beginning in 2009, \$106,950,000 is distributed to municipalities in amounts that are in the same proportion as the amounts obtained by multiplying the fair market value of the improvements in each municipality by the school tax rate for the municipality. Each municipality then applies the amount it receives to the

property tax bills of its property owners, apportioning the amount according to the fair market value of each property owner's improvements, thereby reducing the amount of the property taxes that the property owner must pay on the improvements.

use twice
STET

***** ANALYSIS FROM -0418/P1 *****

TAXATION
PROPERTY TAXATION

This bill creates a property tax exemption for real property owned by a veterans service organization that is chartered under federal law, if the property is necessary for the location and convenience of buildings.

copy/paste

TAXATION
INCOME TAXATION

This bill also exempts from the income tax and the franchise tax all income of a veterans service organization that is chartered under federal law.

***** ANALYSIS FROM -0727/1 *****

TAXATION

OTHER TAXATION

This bill repeals the lottery and gaming credit administration general purpose revenue appropriation. Under current law, no moneys may be encumbered or expended from the appropriation after the enactment of the 2001-03 biennial budget act. Under current law, lottery and gaming credit administration expenses are paid from the lottery fund by way of a segregated fund appropriation.

***** ANALYSIS FROM -1303/4 *****

TAXATION

INCOME TAXATION

Current law provides a subtraction from federal adjusted gross income ^(AGI) for ~~a~~ ^{certain higher education institutions} ~~certain amount~~ ^{amounts} paid by a claimant for tuition to attend a university, college, technical college or other school that is approved by the Educational Approval Board and that ~~is~~ ^{are} located in this state or that ~~is~~ ^{are} subject to the Minnesota-Wisconsin reciprocity agreement. The ~~amount~~ ^{amounts} of the subtraction may not exceed twice the average amount charged by the Board of Regents of the University of Wisconsin System at four-year institutions for resident undergraduate tuition for the most recent fall semester. Currently, the maximum allowable subtraction is \$4,536 and is phased out at certain income levels.

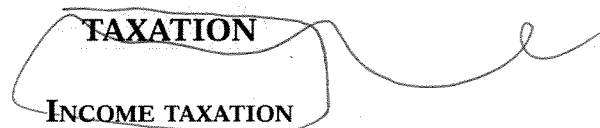
Also under current law, ^{the subtraction is limited for} nonresidents and part-year residents of this state may claim a prorated amount of the subtraction based on the ratio of the individual's ^{taxable Wisconsin} wages, income, and net earnings from a trade or business that are taxable by this state to the individual's total wages, income, and net earnings from a trade or business. The subtraction is further limited to the total wages, income, and net earnings from a trade or business taxable by this state.

This bill increases the amount of the allowable subtraction to \$6,000 and expands the subtraction to include academic fees paid to an eligible institution.

Under current law, an individual may not claim an income tax deduction for college tuition expenses if the source of the payment is an amount withdrawn from either a college tuition and expenses program or a college savings account (commonly known as EdVest I and EdVest II) and if the claimant has already claimed a deduction that relates to a contribution to an EdVest I or II account.

Under this bill, an individual may not claim an income tax deduction for college tuition expenses if the source of the payment is an amount withdrawn from either an EdVest I or II account and if the owner of the account has already claimed a deduction that relates to a contribution to an EdVest I or II account.

*** ANALYSIS FROM -0759/2 ***



Under current law, there is an individual income tax deduction for 100 percent of the amount paid by a person for a "medical care insurance policy" ^(policy) that covers the person ^{and his or her family} (his or her spouse, ~~and the person's~~ dependents) if the person's employer pays ^{nothing} no amount of money toward the person's medical care insurance. ~~Also under current~~ ^{also currently} law, a similar deduction exists for 100 percent of such amounts paid for a ~~medical care~~ insurance policy by a self-employed person. ~~A similar deduction also exists under~~ ^{and} current law for approximately 33 percent of such ^{similar} amounts paid for a ~~medical care~~ insurance policy.

~~insurance policy~~ by a person who has no employer and no self-employment income, although this percentage will increase to 100 percent for taxable years beginning after December 31, 2008.

This bill creates ~~an~~ ^{a phased in} individual income tax deduction, which is phased in over ~~four years~~ for a certain percentage of the amount that is paid by an individual for a ~~medical care insurance~~ ^{family} policy that covers the individual ~~or his or her spouse~~ and the individual's ~~dependents~~ if the individual's employer pays a portion of the cost of the individual's policy. For taxable year 2008, 10 percent of the amount paid for such a policy may be claimed. For taxable year 2009, 30 percent may be claimed; 60 percent may be claimed in taxable year 2010; and 100 percent may be claimed in 2011 and thereafter.

Joe
evading
loading or voiding

~~*** ANALYSIS FROM 1602/2 ***~~
~~TAXATION~~
~~INCOME TAXATION~~

This bill allows a taxpayer to report to DOR, without paying a penalty or facing criminal prosecution, certain transactions that are devised for the principal purpose of federal or state income or franchise tax and are required to be reported to the Internal Revenue Service under federal law. In order to avoid penalties and prosecution, a taxpayer must file an amended return with DOR for each taxable year

beginning before January 1, 2007, in which the taxpayer participated in the transaction and pay any additional taxes. The amended return must be filed during the period beginning on October 1, 2007, and ending on December 31, 2007. Apart from the "grace period" provided under the bill, the bill, generally, requires taxpayers to report all such transactions to DOR, consistent with the reporting requirements under federal law, and pay all penalties, interest, and additional taxes.

***** ANALYSIS FROM -1410/2 ***** STET
TAXATION
INCOME TAXATION

Under this bill, a person may claim an income and franchise tax credit equal to 25 percent of the amount that the person paid in the taxable year to install ~~retrofit~~ retrofit pumps located in this state that dispense motor vehicle fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel.

***** ANALYSIS FROM -1502/2 ***** STET
TAXATION
INCOME TAXATION

This bill creates an income and franchise tax credit for health care providers in an amount that is equal to the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form.

→ INSERT JOE (attached) ***** ANALYSIS FROM -0418/P1 ***** STET

DOA:.....Palchik, BB0435 - Dairy investment tax credit

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

INSERT JOE

*This goes after
1502 under
income taxation
(page 209)*

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill creates income and franchise tax credits for amounts paid to modernize or expand a dairy manufacturing operation. The bill defines "dairy manufacturing" as processing milk into dairy products or processing dairy products for sale commercially.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

3 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
4 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3p), (3s), (3t), (3w), (5b), (5d),

g
~~INCOME TAXATION~~

This bill ~~also~~ exempts from the income tax and the franchise tax all income of a veterans service organization that is chartered under federal law.

***** ANALYSIS FROM -0720/1 *****

STET

~~TAXATION~~

~~INCOME TAXATION~~

This bill makes technical corrections to the film production services and film production company investment income and franchise tax credits in order to simplify the administration of the credits.

***** ANALYSIS FROM -1361/4 *****

STET

~~TAXATION~~

~~INCOME TAXATION~~

this bill increases

Under current law, generally, a taxpayer may claim a credit against the taxpayer's income and franchise tax liability on certain amounts invested in new businesses under the early stage seed investment tax credit or the angel investment tax credit.

~~Under rules promulgated by Commerce, the total amount of all angel investment credits that may be claimed in each calendar year is \$3,000,000~~

from to \$5,500,000

~~and the total amount of all early stage seed investment credits that may be claimed in each calendar year is \$3,500,000~~

from to \$6,000,000

~~Under the bill, the total amount of angel investment credits that may be claimed in each calendar year is \$5,500,000 and the total amount~~

~~of all early stage seed investment credits that may be claimed in each calendar year~~

~~is \$6,000,000~~ The bill also increases the amount of the investment that may be used as the basis of an angel investment credit from \$500,000 to \$2,000,000. In addition, the bill requires that any person claiming an angel investment credit or an early stage seed investment credit keep his or her investment in a certified business for as least three years. ~~Finally, notwithstanding the credit amount limitations under current law and under the bill, DOR may, in consultation with Commerce, carry forward unclaimed credit amounts to subsequent taxable years.~~

STET

***** ANALYSIS FROM -0724/2 *****

TAXATION

INCOME TAXATION

This bill makes technical changes to the early stage seed investment and angel investment income and franchise tax credits in order to facilitate the administration of the credits.

***** ANALYSIS FROM -0723/1 *****

STET

TAXATION

OTHER TAXATION

Under current law, DOR may enter into agreements with the Internal Revenue Service to offset state tax refunds against federal tax obligations and charge a fee for such setoffs, not to exceed \$25 per transaction. In addition, DOR may enter into agreements with other states to offset state tax refunds against the tax obligations of other states. This bill allows DOR to enter into agreements with federally

recognized tribes to offset state tax refunds against tribal obligations and charge a fee for such setoffs, not to exceed \$25 per transaction.

***** ANALYSIS FROM -0722/2 ***** — STET
TAXATION
INCOME TAXATION

This bill makes technical corrections to the enterprise zone jobs income and franchise tax credits in order to simplify the administration of the credits.

***** ANALYSIS FROM -0721/2 ***** — STET
TAXATION
INCOME TAXATION

Under current law, a partnership, a limited liability company, a tax-option corporation, an estate, or a trust that is treated as a pass-through entity for federal income tax purposes must withhold income or franchise taxes from the income that the entity may distribute to a nonresident partner, member, shareholder, or beneficiary. However, a nonresident partner's, member's, shareholder's, or

beneficiary's share of income from the pass-through entity that is attributable to this state is not included in determining the amount of the withholding tax if the partner, member, shareholder, or beneficiary is exempt from state income and franchise taxes or if the partner, member, shareholder, or beneficiary has no state income other than his or her share of income from the pass-through entity that is attributable to this state and the amount of that income is less than \$1,000. Under this bill, income

excluded from determining the amount of a pass-through entity's withholding taxes includes income of a nonresident ~~partner, member, shareholder, or beneficiary~~ who files an affidavit with DOR, whereby the nonresident ~~partner, member, shareholder,~~ ~~or beneficiary~~ agrees to file a state income or franchise tax return and be subject to the personal jurisdiction of DOR, the Tax Appeals Commission, and the courts of this state for the purpose of determining and collecting state income and franchise taxes. ✓

Current law imposes interest on certain underpayments of estimated withholding taxes imposed on pass-through entities and on late payments of withholding taxes imposed on pass-through entities. This bill eliminates the provision related to imposing interest on the underpayments of estimated withholding taxes imposed on pass-through entities.

✓
INSERT JK
(FROM PAGES
225)

STET
*** ANALYSIS FROM -1302/1 ***
TAXATION
INCOME TAXATION

ANALYSIS
FOR 1195
005

Under current law, for claims filed in 2001 and thereafter, the homestead tax credit threshold income is \$8,000, the maximum property taxes, or rent constituting property taxes, that a claimant may use in calculating his or her credit are \$1,450, and the maximum household income is \$24,500. *As income increases from \$8,000 to \$24,500, Under the current law formula as a claimant's income exceeds \$8,000 the credit is phased out until the credit equals*

to
 zero when income exceeds \$24,500. Also under the formula, if the household income
 is \$8,000 or less, the credit is 80 percent of the property taxes accrued or rent
 constituting property taxes accrued. Using the formula, the credit that may be
 claimed ranges from \$10 to \$1,160.

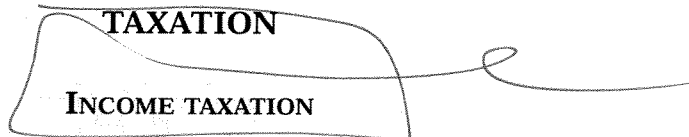
current; also,

for household income of \$8,000 or less

Under this bill, for claims filed in 2009 and thereafter, the maximum household
 income is indexed for inflation. Also under the bill, as a claimant's income exceeds
 the threshold income amount, the credit is phased out until the credit equals zero
 when income exceeds the maximum income ~~as adjusted for inflation~~.

indexed

*** ANALYSIS FROM -1301/5 ***



Under current federal law there is an individual income tax credit for a portion
 of qualifying child or dependent care expenses that are paid for the purpose of
 enabling a taxpayer to be gainfully employed. An eligible claimant must maintain
 a household for a "qualifying individual," which is defined as a dependent under the
 age of 13, a disabled spouse, or another disabled individual who is a dependent of the
 taxpayer. The calculation of the amount that may be claimed under the federal credit
 is based on the amount of allowable employment-related expenses incurred by the
 claimant. The maximum allowable amount of employment-related expenses under

"expenses"

federal law is \$3,000 ~~if the claimant has~~ ^{for} one qualifying individual and \$6,000 ~~if the~~
~~claimant has~~ ^{for} more than one qualifying individual.

In calculating Wisconsin adjusted gross income (AGI), this bill authorizes an individual who claims the federal credit to subtract from federal AGI a certain portion of the allowable amount of employment-related ^{the} expenses claimed by the individual ^{under the} in calculating his or her federal ~~tax~~ credit. The amount that may be

subtracted is phased in over four years. ~~For taxable year 2008, a claimant may subtract from federal AGI up to \$750 for one qualified individual and up to \$1,500 for more than one qualified individual. For taxable year 2009, the amounts that may be subtracted are up to \$1,500 and up to \$3,000; for taxable year 2010, the amounts that may be subtracted are up to \$2,250 and up to \$4,500; and for taxable years 2011 and thereafter, the amounts that may be subtracted are up to \$3,000 and up to \$6,000.~~ For nonresidents and part-year residents of this state, the amount of the

subtraction is then prorated based on the ratio of the claimant's Wisconsin earned income to total earned income.

~~*** ANALYSIS FROM -0836/1 ***~~

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TAXATION

INCOME TAXATION

Currently, if an individual has an overpayment on his or her individual income tax return, the overpayment may not be applied as an estimated tax carry-forward if the return is filed after the due date of the final estimated tax payment due date for the following year. The bill repeals this prohibition against applying such an overpayment as an estimated tax carry-forward.

*** ANALYSIS FROM -0838/1 ***

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.

*** ANALYSIS FROM -0791/2 ***

TAXATION

INCOME TAXATION

Under current law, Wisconsin requires that certain types of income received by an individual, which are deductible under federal law when the individual calculates his or her federal adjusted gross income (AGI), must be added back to federal AGI when an individual calculates his or her Wisconsin AGI.

In calculating Wisconsin AGI, this bill requires that nonresidents and part-year residents add back to federal AGI ^{a portion of} certain items that are deductible under federal law. [↑] The items that must be added back ^{such as} are the domestic production activities deduction, ~~to the extent that the income is not taxable by this state~~ and attorney fees and court costs involving unlawful discrimination claims ~~if the~~ judgment or settlement resulting from the claims is not taxable by this state.

*** ANALYSIS FROM -0839/1 ***

TAXATION
INCOME TAXATION

This bill specifies that amounts received by a nonresident of this state under a covenant not to compete is taxable by this state to the extent that the covenant was based on a Wisconsin-based activity.

*** ANALYSIS FROM -0891/1 ***

appeals a DOR tax ruling
TAXATION
OTHER TAXATION

Currently, if a taxpayer ~~appeals~~ ^{to} the tax appeals commission an appeal of a ~~DOR ruling~~ ^{related to taxes} the taxpayer may deposit the entire amount of the ^{keep comma} additional taxes DOR claims is due, plus interest, with the secretary of administration while the appeal is pending. ^{and} DOR ~~is~~ ^{is required} under current law to ^{must authorize} issue a certificate to DOA authorizing the secretary to administer the deposit and issue any refund that is due the taxpayer ^{after} following the ~~conclusion of the~~ appeals.

concludes

tax assessment and refund issuance

~~process~~ Currently, similar procedures ~~for the deposit of tax assessments, and the~~
~~issuance of a refund that may be due~~ also apply to other taxes including the oil and
gas severance tax, ~~the motor vehicle fuel floor tax, the intoxicating liquor floor tax,~~
and the cigarette inventory tax.

Under this bill, such deposits will be made, and such refunds will be issued, by
DOR directly, and DOA will no longer administer the deposits or issue any refunds
that may be due.

***** ANALYSIS FROM -1530/6 ***** — STET
TAXATION
OTHER TAXATION

This bill imposes an assessment on a motor vehicle fuel supplier at the rate of
^{.5%} 2 percent of the supplier's gross receipts from the first sale of motor vehicle fuel in
this state. The amount of the assessment may not be added to the selling price of any
subsequent sale or distribution of the motor vehicle fuel and the supplier may take
no action to increase or influence the selling price of motor vehicle fuel in order to
recover the amount of the assessment. For the purpose of determining the amount
of the assessment, income derived from the first sale in this state of biodiesel fuel or
ethanol blended with gasoline to create gasoline consisting of at least 85 percent

ethanol is not included in the supplier's gross receipts. The revenue collected from the assessment is deposited into the transportation fund.

*** ANALYSIS FROM -0728/5 *** STET
TAXATION
OTHER TAXATION

This bill adopts the substantive provisions of the streamlined sales and use tax agreement (agreement) for purposes of administering and collecting state, county, and stadium district sales and use taxes. The agreement is intended to modernize sales and use tax administration for the states that enter into the agreement and to encourage out-of-state retailers to collect the state, county, and stadium district sales and use taxes voluntarily. Under current federal law, generally, an out-of-state retailer who sells tangible personal property or services to customers in this state is not required to collect the sales tax or use tax imposed on such sales, if the retailer has no physical presence in this state. See *Quill v. North Dakota*, 504 U.S. 298; 112 S.Ct. 1904 (1992).

*** ANALYSIS FROM -0892/11 *** STET
TAXATION
OTHER TAXATION

This bill increases the rate of the excise tax imposed on the sale of cigarettes from 77 cents per pack to \$2.02 per pack. The bill also increases the rate of the excise

tax imposed on the sale of tobacco products from 25 percent of the manufacturer's list price to distributors to 65.6 percent of the manufacturer's list price to distributors.

***** ANALYSIS FROM -1181/8 ***** — STET
TAXATION
OTHER TAXATION 2

Under current law, generally, the conveyance of real property from one person to another is subject to a real estate transfer fee at the rate of 30 cents for each \$100 of the conveyance's value. The register of deeds for the county in which the property is located collects the fee at the time that the conveyance is recorded with the register of deeds. The register of deeds retains 20 percent of the fee for the county and submits the remainder to the state. This bill increases the rate of the real estate transfer fee to 60 cents for each \$100 of a conveyance's value and requires the register of deeds to submit 90 percent of the fee to the state, rather than 80 percent. Under the bill, the amount of the real estate transfer fee retained by the state is deposited into the county aid fund. This bill pays part of the amount paid to counties for circuit court costs out of the county aid fund. The bill also pays from the county aid fund part of the amount paid to counties as community youth and family aids (generally referred to as "youth aids"), which are aids paid to counties for juvenile delinquency-related services. Those costs and aids are currently paid out of the general fund. Beginning

in 2008, county aid payments, formerly referred to as "shared revenue payments," will be paid in part from the county aid fund and in part from the general fund.

*** ANALYSIS FROM -0417/2*** STET
TAXATION
OTHER TAXATION

This bill creates a sales and use tax exemption for tangible personal property and taxable services that are sold by a home exchange service that is operated by DVA.

*** ANALYSIS FROM -0719/2*** STET
TAXATION
OTHER TAXATION

Under current law, generally, a person may not sell cigarettes in this state as a distributor, jobber, vending machine operator, or multiple retailer without having a permit from DOR. A "jobber" is any person who acquires cigarettes from manufacturers or distributors, stores the cigarettes, and sells the cigarettes to ~~retailers for resale.~~

OR
#

Current law also prohibits a direct marketer from selling cigarettes to consumers in this state unless the direct marketer fulfills certain requirements. Current law defines "direct marketing" as publishing or making accessible an offer for the sale of cigarettes to consumers in this state, or selling cigarettes, using any

means by which the consumer is not physically present on a premise that sells cigarettes.

~~Under current law, a direct marketer must certify to DOR: that the person will register with debit and credit card companies; that the invoices for all shipments of cigarettes will bear the direct marketer's name and address; and that the direct marketer will provide DOR any information that DOR considers necessary. The direct marketer may not sell any cigarettes unless the sales tax, use tax, or cigarette tax, as appropriate, has been paid on the sale of the cigarettes.~~

~~Current law requires a direct marketer who sells cigarettes to consumers in this state to verify the consumer's name and address and that the consumer is at least 18 years of age. In addition, any person who delivers such cigarettes to consumers in this state must verify that the person who purchased the cigarettes, and who receives the delivery, is at least 18 years of age.~~

Under this bill, generally, the same provisions under current law that apply to the direct marketing of cigarettes also apply to the direct marketing of tobacco products. In addition, no person may sell cigarettes or tobacco products to consumers in this state unless the person applies to DOR for a permit.

g
~~Under current law, a person may not sell cigarettes or tobacco products to consumers in this state unless the person obtains a license from each city, village, or town in which the person intends to sell cigarettes or tobacco products. Under the bill, no city, village, or town may issue a license to any person who has an arrest or conviction record related to selling cigarettes or tobacco products. Under the bill, a direct marketer who holds a valid permit to sell cigarettes or tobacco products to consumers in this state is not required to obtain a license from each city, village, or town in which the cigarettes or tobacco products are sold.~~

*** ANALYSIS FROM -0725/3 ***

TAXATION

OTHER TAXATION

STET

This bill creates sales and use tax exemptions for machines, equipment, animals, and certain other tangible personal property that are sold to a biotechnology business for use exclusively in research. Under the bill, a biotechnology business is a business that is primarily engaged in the application of biotechnologies that use a living organism or parts of an organism to produce or modify products to improve plants or animals, develop microorganisms for specific uses, identify targets for small molecule pharmaceutical development, or transform biological systems into useful processes and products.

This bill also creates sales and use tax exemptions for machines, equipment, and certain other tangible personal property that are used exclusively in raising animals that are sold primarily to a biotechnology business, a public or private institution of higher education, or a governmental unit for use by any such entity exclusively in research or manufacturing.

***** ANALYSIS FROM -1331/1 ***** — STET
TAXATION
OTHER TAXATION

This bill increases the dry cleaning fee imposed on dry cleaning facilities from 1.8 percent of the gross receipts from the previous three months from dry cleaning apparel and household fabrics to 2.8 percent of such gross receipts.

***** ANALYSIS FROM -1274/4 ***** — STET
TAXATION
OTHER TAXATION

This bill modifies the sales and use tax exemption for motion picture film and tape to include radio and television programs. In addition, under the bill, the exemption applies to motion pictures and radio and television programs that are electronically provided to a purchaser.

***** ANALYSIS FROM -1765/1 ***** — STET

→ INSERT MAGGIE (attached)

~~TAXATION~~
OTHER TAXATION

This bill provides a sales tax exemption for the sale of tickets or admissions to a performance by a nonprofit performing arts organization, if the organization also provides free performances for schools.

*** ANALYSIS FROM -1469/2 *** STET

~~TAXATION~~
OTHER TAXATION

This bill creates an appropriation to pay for the costs of having DOR collect delinquent state taxes.

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page 213
move
before
analysis
1302

*** ANALYSIS FROM -1195/2 ***

~~TAXATION~~
INCOME TAXATION

STET

This bill adopts, for state income and franchise tax purposes, certain changes made to the Internal Revenue Code by Public Law 109-7, which excludes qualified disaster mitigation payments from gross income; Public Law 109-58, the Energy Tax Incentives Act; Public Law 109-59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act; Public Law 109-73, the Katrina Emergency Tax Relief Act; Public Law 109-135, the Gulf Opportunity Zone Act; Public Law 109-151, the Employee Retirement Preservation Act; Public Law 109-222, the Tax Increase Prevention Act; Public Law 109-227, Heroes Earned Retirement Opportunities Act; and Public Law 109-280, the Pension Protection Act.

DOA:.....Palchik, BB0434 - Sales and use tax exemption for catalogs

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

INSERT
MAGGIE

*This goes after
1765 under other taxation
(at the top of p. 225)*

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

This bill creates a sales and use tax exemption for catalogs and the envelopes in which the catalogs are mailed.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 77.51 (1j) of the statutes is created to read:

3 77.51 (1j) "Catalog" means a printed and bound, stitched, sewed, or stapled
4 book containing a list and description of property or services for sale, regardless of
5 whether a price is specified.