



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

September 23, 2009

MEMORANDUM

To: Representative Smith

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2009 AB 381** (LRB-3045/1) 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.

MEMORANDUM

September 8, 2009

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB0381 – decreasing the discount on amounts paid for tax stamps on cigarettes.

Under current law an excise tax is imposed on the sale of cigarettes and is paid by cigarette distributors. Distributors apply cigarette tax stamps and receive a 0.7% tax discount. The bill decreases the percentage of the discount to purchase cigarette tax stamps from 0.7% to 0.5%.

The effective date of the bill is the first day of the 2nd month beginning after publication. This effective date does not give the department sufficient time to make the necessary changes in cigarette tax forms and provide notifications of the discount change to cigarette distributors. These activities will require more than 30 days for implementation.

To provide adequate time for these actions, the Department recommends that the effective date be first day of the 3rd month beginning after publication.

If you have any questions regarding this technical memorandum, please contact Jacek Cianciara at 266-8133.

cc: Rep. Smith