



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 20, 2010

MEMORANDUM

To: Representative Davis

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

Marc E. Shovers, Managing Attorney, (608) 266-0129

Subject: Technical Memorandum to **2009 AB 941** (LRB-4391/1) 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

April 14, 2010

TO: Joseph Kreye
Marc E. Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on AB 941 (LRB 4391/1) – Education Credits

The Department has the following technical concerns with the above-referenced bill:

- For purposes of the educational improvement credit, the term “eligible pupil” is defined in 71.07(5n)(a)5., 71.28(5n)(a)5., and 71.47(5n)(a)5. However, this term is not used for purposes of the credit. Instead, the term “eligible students” is used in 71.07(5n)(a)12., 71.28(5n)(a)12., and 71.47(5n)(a)12. If an “eligible pupil” has the same meaning as an “eligible student,” it would be preferable if the term “eligible pupils” was used in para. (a)12.
- The provisions in pars. (5n)(c)6., concerning calculating the value of contributions could be clarified. Paragraphs (5n)(c)6. could be amended to read as follows:

6. For purposes of determining the amount of any credit claimed under this subsection, the value of a contribution amount shall be equal the amount of cash donated. For contributions of personal property, the contribution amount shall be the amount allowed as a charitable contribution under the Internal Revenue Code. For contributions of services, to the net cost of the claimant’s donation of cash or personal property or to the proportionate share of any the contribution amount shall be the wage paid by the claimant to its employee for the employee’s service that is directly related to donating a service to an educational improvement organization or a scholarship-granting organization.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. The Department would require 1.0 FTE Revenue Agent to review applications for the scholarship-granting organization and educational improvement organization credits, to administer the annual cap on the credits, and to approve and deny credits. The salary and fringe benefits for this position would be \$61,240. In addition, the Department would incur additional costs for printing and mailing of \$100 per year. 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)	\$ 61,340	1.0

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Rep. Davis