

Fiscal Estimate Narratives

DWD 4/15/2010

LRB Number	09-4494/2	Introduction Number	AB-0929	Estimate Type	Updated
Description Willful misclassification of an employee as a nonemployee by a person engaged in the painting or drywall finishing of buildings or other structures with intent to evade the laws related to income tax withholding, worker's compensation, unemployment insurance, or employment discrimination and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The 2009 budget bill, 2009 Wisconsin Act 28, created sections 71.63(3)(d), 102.07(8)(d), 108.24(2m) and 111.327, which provide for fines of \$25,000 for certain acts and false statements by employers in misclassifying workers with intent to evade certain laws.

By the terms of those provisions created by Act 28, the provisions apply to "any employer described in s. 108.18(2)(c)."

Section 108.18(2)(c) refers to employers "engaged in the construction of roads, bridges, highways, sewers, water mains, utilities, public buildings, factories, housing, or similar construction projects."

This bill, AB-929, merely assures that the scope of the newly created sections, 71.63(3)(d), 102.07(8)(d), 108.24(2m) and 111.327, will encompass employers engaged in "painting and drywall finishing of buildings or other structures" for purposes of those sections and the fines created by Act 28.

Section 108.18(2)(c) has been in existence for years prior to 2009. The Department of Workforce Development staff currently responsible for administering 108.18(2)(c) have consistently treated employers engaged in "painting and drywall finishing of buildings or other structures" as within the meaning of the term "construction" when applying section 108.18(2)(c).

The fines were created entirely by Act 28 and the effect of AB-929 is solely confirmation or clarification of the intent of Act 28. AB-929 will have no fiscal impact.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): None.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DWD/ Richard Tillema (608) 267-9807		Andrew Feldman (608) 266-2284	4/15/2010