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STEPHEN R. MILLER
CHIEF

September 8, 2011

MEMORANDUM

To: Senator Moulton

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

Subject: Technical Memorandum to **2011 SB 164** (LRB–2220/3) **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

August 17, 2011

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on SB 164 (LRB 2220/3) – Workplace Wellness Program Credit

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

- Proposed s. 73.15(1) provides that the Department of Health Services (DHS) and the Department of Revenue (DOR) shall implement a program to certify workplace wellness programs developed by a business or independent provider. Subsection (2) then begins "If the department of health services certifies a workplace wellness program ..." Is it only DHS that certifies programs or do both DHS and DOR certify programs? The author may wish to clarify this.

- If it is only DHS that certifies programs, it would be preferable if DHS also allocated the amount of credit as well. This would be similar to how other similar credits are administered by the Wisconsin Economic Development Corporation, where the Corporation both certifies the activity that generates the credit and allocates the credit among applicants. It would be easier for taxpayers to have to apply to only one state agency for the credit, rather than having to file for certification with one agency and then apply to another to determine the amount of credit.

- The bill is silent on what method should be used for allocation of credits among taxpayers. Absent some other method, the credits would necessarily have to be allocated based on how much is claimed on the tax return. Because there would no way to know in advance the amount of credit each person would be claiming, the credit would have to be limited on a first-come-first-served basis when the return is filed. This would put businesses that have a fiscal year other than a calendar year at a disadvantage, since their due date for filing would be later than a calendar year filer. The author may wish to clarify this.

- Generally, when two departments collaborate on rule promulgation, one department is given lead authority for promulgating the rule while being required to consult with the other department. It would be preferable that one or the other should take the lead in promulgating the rules for this credit and be required to consult with the other agency.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. 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)	$ 82,000	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: Sen. Moulton