

Report From Agency

DEPARTMENT OF REVENUE CLEARINGHOUSE RULE NUMBER 07-027 SECTION 227.19(2) AND (3), STATS., REPORT

Basis and Purpose of the Proposed Rule

The rule is necessary to create a provision specifying that withholding payments by an employer of the delinquent tax of an employee under s. 71.91(7), Stats., are required to be made by electronic funds transfer (EFT).

Public Hearing

A public hearing was held on May 30, 2007. No testimony was offered at the hearing.

Public Comments

Written comments were received from Mr. Bill Smith of the National Federation of Independent Business, Wisconsin Chapter. Mr. Smith disagreed with the department's determination that the proposed rule order does not have a significant effect on small business and requested that it be referred to the Small Business Regulatory Review Board.

Secretary Ervin responded to Mr. Smith's comments by meeting with him in person, and presenting information about the Department's procedure for Electronic Funds Transfer (EFT). Employers can make payments by EFT at no cost, using the DOR website at: www.witaxeft.com or by calling the Department's toll free touch tone telephone system: 1-888-EFT-WISC. Secretary Ervin also discussed the "Exception to EFT Requirement" contained in the rule. The rule provides that an employer may request a waiver from the EFT requirement if the requirement causes an undue hardship. Secretary Ervin proposed the creation of a waiver request form to facilitate the waiver process, and address Mr. Smith's concerns about potential difficulties for employers requesting a waiver. The department maintains that the proposed rule order appropriately considered and addressed Mr. Smith's concerns, and the department's determination that the proposed rule order does not have a significant effect on small businesses was correct. Based on these conclusions, no modifications have been made to the proposed rule order.

Mr. Smith's comments and the department's conclusions were shared with Small Business Ombudsman Carol Dunn. Ms. Dunn also wanted to confirm that a telephone option was available for employers who don't use computers in their business operations.

Legislative Council Staff Recommendations

All Legislative Council staff recommendations have been incorporated in the proposed rule order.

Regulatory Flexibility Analysis

The proposed rule order does not have a significant economic impact on a substantial number of small businesses.

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