



State of Wisconsin \ Department of Commerce

Report From Agency

RULES IN FINAL DRAFT FORM

Rule No.: Chapter Comm 133

Relating to: Film Production Accreditation Program

Clearinghouse Rule No.: 07-063

RULE REPORT

Department of Commerce

Clearinghouse Rule No.: 07-063

Rule No.: Chapter Comm 133

Relating to: Film Production Accreditation Program

Contact person for substantive questions:

Contact person for internal processing:

Name: Sam Rockweiler

Name: (same)

Title: Code Development Consultant

Title:

Telephone Number: 608-266-0797

Telephone Number:

1. Basis and purpose of the proposed rule.

As required by SECTION 21m of 2005 Wisconsin Act 483, these rules would establish the procedures for obtaining any of the following from the Department, for use in claiming corresponding tax credits with the Department of Revenue: (1) accreditation of a production, (2) determination of the amount of expenditures that are directly used to produce an accredited production, and (3) certification of expenses that are related to establishing a film production company in Wisconsin.

2. How the proposed rule advances relevant statutory goals or purposes.

The proposed rules would foster development and growth of film, video, electronic game, broadcast entertainment and television productions in Wisconsin; and encourage establishment of film production companies in Wisconsin.

3. Changes to the rule analysis or fiscal estimate that was prepared for public hearing.

No changes were made to the fiscal estimate. The rule analysis was revised to include citation and explanation of the Department's statutory authority to provide

leadership in fostering expansion of existing enterprises and in initiating efforts to attract new enterprises, as they relate to broadening and strengthening the economy of the State.

COM-10550 (R.02/04)

FINAL REGULATORY FLEXIBILITY ANALYSIS

Department of Commerce

CLEARINGHOUSE RULE NO.: 07-063

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Final regulatory flexibility analysis not required. (Statement of determination required.)

1. Reason for including or failing to include the following methods for reducing impact of the rule on small businesses: Less stringent compliance or reporting requirements; less stringent schedules or deadlines for compliance or reporting requirements; simplification of compliance or reporting requirements; establishment of performance standards to replace design or operational standards; exemption from any or all requirements.

Less stringent qualification, application, and reporting requirements are not proposed for small businesses because 2005 Wisconsin Act 483 prescribes these requirements, and does not establish any lesser application to small businesses. However, during rule development, the Department took steps to reduce possible barriers for small businesses by soliciting and utilizing input from individuals and organizations that are expected to be familiar with small businesses.

2. Issues raised by small businesses during hearings, changes in proposed rules as a result of comments by small businesses and reasons for rejecting any alternatives suggested by small businesses.

A commenter at the public Hearing recommended (1) not tying the goals of the State's branding campaign to the film production accreditation program and (2) making the tax credits transferable. The proposed rules now refer to not hurting the reputation of the State, instead of referring to consistency with a positive brand image of the State. The rules have not been changed to allow transfer of the tax credits because that transfer is currently not allowed by 2005 Wisconsin Act 483.

COM-10538 (N.03/97)

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3. Nature and estimated cost of preparation of any reports by small businesses.

The proposed rules are not expected to impose any significant reporting costs on small businesses, because the rules address only submittal of documentation relating to voluntary pursuit of tax credits for producing film productions or for establishing film production companies.

Applicants for tax credits relating to producing a Department-accredited production in Wisconsin must submit an application for accreditation that includes documentation of estimated, qualifying expenses – and must subsequently submit proof of incurring those expenses.

Applicants for tax credits relating to establishing a film production company in Wisconsin must submit documentation of estimated, qualifying expenses – and must subsequently submit proof of incurring those expenses.

The Department has developed an application form and related instructions that further addresses this documentation. The cost for assembling and submitting this documentation is expected to be inconsequential.

4. Nature and estimated cost of other measures and investments required of small businesses.

The proposed rules are not expected to impose any other significant costs on small businesses.

5. Additional cost to agency of administering or enforcing a rule which includes any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.

6. Impact on public health, safety and welfare caused by including any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.

RESPONSE TO LEGISLATIVE COUNCIL CLEARINGHOUSE REPORT

Department of Commerce

CLEARINGHOUSE RULE NO.: 07-063

RULE NO.: Chapter Comm 133

RELATING TO: Film Production Accreditation Program

Agency contact person for substantive questions.

Name Sam Rockweiler
:

Title: Code Development Consultant

Telephone 608-266-0797
No.

Legislative Council report recommendations accepted in whole.

Yes

No

1. Review of statutory authority [s. 227.15(2)(a)]

a. Accepted

b. Accepted in part

c. Rejected

d. Comments attached

2. Review of rules for form, style and placement in administrative code [s. 227.15(2)(c)]

a. Accepted

b. Accepted in part

c. Rejected

d. Comments attached

side)

COM-10539 (N.03/97)

(Continued on reverse

3. Review rules for conflict with or duplication of existing rules [s. 227.15(2)(d)]
- a. Accepted
 - b. Accepted in part
 - c. Rejected
 - d. Comments attached
4. Review rules for adequate references to related statutes, rules and forms [s. 227.15(2)(e)]
- a. Accepted
 - b. Accepted in part
 - c. Rejected
 - d. Comments attached
5. Review language of rules for clarity, grammar, punctuation and plainness [s. 227.15(2)(f)]
- a. Accepted
 - b. Accepted in part
 - c. Rejected
 - d. Comments attached
6. Review rules for potential conflicts with, and comparability to, related federal regulations [s. 227.15(2)(g)]
- a. Accepted
 - b. Accepted in part
 - c. Rejected
 - d. Comments attached
7. Review rules for permit action deadline [s. 227.15(2)(h)]
- a. Accepted
 - b. Accepted in part
 - c. Rejected

d. Comments attached