

**ADMINISTRATIVE RULES  
FISCAL ESTIMATE  
AND ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis		
<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected		
Administrative Rule Chapter, Title and Number		
Chapters Tax 1, 2, and 11 – General administration; income taxation, returns, records and gross income; and sales and use tax		
Subject		
General provisions of income taxation and sales and use tax		
Fund Sources Affected		Chapter 20 , Stats. Appropriations Affected
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG   SEG-S		
Fiscal Effect of Implementing the Rule		
<input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs <input type="checkbox"/> Could Absorb Within Agency’s Budget <input type="checkbox"/> Decrease Costs
The Rule Will Impact the Following (Check All That Apply)		
<input type="checkbox"/> State’s Economy <input type="checkbox"/> Local Government Units	<input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Public Utility Rate Payers	
Would Implementation and Compliance Costs Be Greater Than \$20 million?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Policy Problem Addressed by the Rule		
The rule does not create or revise policy, other than to reflect current law and department policy.		
Summary of Rule’s Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State’s Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)		
<p>As indicated in the attached fiscal estimate, since the fiscal impact of any applicable statutory changes has already been reflected in general fund condition statements, the proposed rule has no fiscal effect.</p> <p>No comments concerning the economic effect of the rule were submitted in response to the department's solicitation.</p>		
Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule		
<p>Clarifications and guidance provided by administrative rules may lower the compliance costs for businesses, local governmental units, and individuals.</p> <p>If the rule is not implemented, Chapters Tax 1, 2, and 11 will be incomplete in that they will not reflect current law or department policy.</p>		
Long Range Implications of Implementing the Rule		
No long-range implications are anticipated.		
Compare With Approaches Being Used by Federal Government		
N/A		
Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)		
N/A		

**FISCAL ESTIMATE FORM**

**2011 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**LRB #**

**INTRODUCTION #**

Admin rule # Tax 1,2,11: Various Provisions SS074-12

**Subject**

**Proposed order of the Department of Revenue relating to general provisions of income taxation and sales and use tax.**

**Fiscal Effect**

**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

Increase Costs - May be Possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

**Local:**  No Local Government Costs

1.  Increase Costs  
      Permissive  Mandatory  
 2.  Decrease Costs  
      Permissive  Mandatory

3.  Increase Revenues  
      Permissive  Mandatory  
 4.  Decrease Revenues  
      Permissive  Mandatory

5. Types of Local Governmental Units Affected:  
 Towns     Villages     Cities  
 Counties    Others \_\_\_\_\_  
 School Districts    WTCS Districts

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

The proposed rule updates Chapter TAX 1, 2 and 11 of the Administrative Code. The proposed rule modifies the administrative code to reflect law changes, improve clarity, and update references.

The proposed rule includes:

- Changes to reflect the replacement of the Lottery Board with the Lottery Division within the Department of Revenue.
- A note explaining that public utilities may be in a combined group for taxable years beginning on or after January 1, 2009 for combined reporting purposes.
- Changes to update the procedure by which individuals may claim individual income tax refunds due to a decedent.
- Changes to reflect that pension and retirement pay are not part of the statutory definition of "wages" for withholding purposes.
- Changes to reflect the sales and use tax exemption for purchases made by the Wisconsin Economic Development Corporation created under 2011 Wisconsin Act 7.

Since the fiscal impact of any applicable statutory changes has already been reflected in general fund condition statements, the proposed rule has no fiscal effect.

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2011 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

<b>LRB #</b>	Admin. Rule #
<b>INTRODUCTION #</b>	Tax 1,2,11: Various Provisions

**Subject**

**Proposed order of the Department of Revenue relating to general provisions of income taxation and sales and use tax.**

**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(     )	-
State Operations-Other Costs		
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
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		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0
<b>Agency/Prepared by</b> Wisconsin Department of Revenue <b>Bob Schmidt</b> 608 267-9892	<b>Authorized Signature/Telephone No.</b> Wisconsin Department of Revenue <b>Paul Ziegler</b> 608 266-5773	<b>Date</b>  11/12/2012