

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

Type of Estimate and Analysis

Original     Updated     Corrected

Administrative Rule Chapter, Title and Number

Chapter Tax 1, 2, 3, and 9 – Various changes to Chapters Tax 1, 2, 3, and 9

Subject

Various changes to Chapters Tax 1, 2, 3, and 9

Fund Sources Affected

Chapter 20 , Stats. Appropriations Affected

GPR    FED    PRO    PRS    SEG    SEG-S

Fiscal Effect of Implementing the Rule

No Fiscal Effect  
 Indeterminate

Increase Existing Revenues  
 Decrease Existing Revenues

Increase Costs  
 Could Absorb Within Agency's Budget  
 Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes     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)

As indicated in the attached fiscal estimate, the fiscal effect of all statutory changes was included in the fiscal estimate for the bill under which the change was made, and therefore the rule as it relates to those sections has no fiscal effect. There is no fiscal effect for the sections of the rule relating to form redesigns or clarifications of examples.

No comments concerning the economic effect of the rule were submitted in response to the department's solicitation.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Clarifications and guidance provided by administrative rules may lower the compliance costs for businesses, local governmental units, and individuals.

If the rule is not implemented, Chapters Tax 1, 2, 3, and 9 will be incomplete in that they will not reflect current law or department policy.

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**

**2017 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

<b>LRB #</b>
<b>INTRODUCTION #</b>
Admin. Rule # to be assigned

**Subject**

**Proposed Order of the Department of Revenue Repealing, Renumbering, Renumbering And Amending, Amending, Repealing And Recreating, And Creating Rules**

**Fiscal Effect**

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

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

**Local:**  No Local Government Costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

**Fund Sources Affected**

- GPR    FED    PRO    PRS    SEG    SEG-S

**Affected Ch. 20 Appropriations**

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

The proposed rule makes the following changes:

- Sections 1, 3, and 4 remove obsolete references to the gift tax and the inheritance tax.
- Section 2 extends authority to review specific relevant tax information to legislative audit bureau employees and to individuals with a material interest in property subject to a tax warrant.
- Sections 5, 6, 8, and 11 modify individual income tax reciprocity related provisions to reflect that Wisconsin and Minnesota no longer have a reciprocity agreement.
- Section 7 updates a reference to the form 1X to reflect that it will no longer be available for taxable years beginning on or after January 1, 2015.
- Section 9 and 10 remove references to sleeping car companies as provided by 2015 Wis. Act 216.
- Section 12 clarifies that a partner in a partnership who is a resident of Wisconsin may claim the credit for taxes paid to other states.
- Section 13 corrects two typographical errors in s. Tax 3.01 (7) (b) 1.
- Section 14 modifies a reference to reflect that the job creation deduction no longer exists.
- Section 15 removes a reference to Higher education bonds issued by the state of Wisconsin under s. 71.05(6)(a)1., Stats.
- Section 16 adds a reference to bonds or notes issued by a sponsoring municipality to assist a local exposition district created under subch. II of ch. 229, Stats., as created by 2015 Wis. Act 60.
- Section 17 modifies a recordkeeping requirement to be consistent with the related statute.

These rules are intended to reflect and clarify existing law and do not impose any additional fiscal impact.

(continued on page two)

**Long-Range Fiscal Implications:**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Brad Caruth (608) 261-8984	<b>Authorized Signature/Telephone No.</b> Wisconsin Department of Revenue Robert Schmidt (608) 266-5773	<b>Date</b> 1-13-2017
---	--	--------------------------

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2017 Session**

ORIGINAL       UPDATED

CORRECTED       SUPPLEMENTAL

**LRB #**

**Admin. Rule #  
to be assigned**

**INTRODUCTION #**

**Subject**

**Proposed Order of the Department of Revenue Repealing, Renumbering, Renumbering And Amending, Amending, Repealing And Recreating, And Creating Rules**

**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)	( FTE)	(- FTE)
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**

**STATE**

**LOCAL**

NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

<b>Agency/Prepared by:</b> Wisconsin Department of Revenue Brad Caruth (608) 261-8984	<b>Authorized Signature/Telephone No.</b> Wisconsin Department of Revenue Robert Schmidt (608) 266-5773	<b>Date</b> 1-13-2017
--	--	--------------------------