

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date May 27, 2020
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Chapter Tax 11 – Sales and Use Tax	
4. Subject The rule updates various sales and use tax sections as identified in the JCRAR report submitted on March 26, 2019. The department has created this proposed rule order to reflect these statutory changes as well as provide needed clarification and correction.	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$ 0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule This rule makes changes to reflect current law and current department policy, therefore, there is no fiscal effect for the proposed rule.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. A comment period was identified for economic impact and the public was notified. The comment period lasted from May 12, 2020 through May 26, 2020 and no comments were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. No local government units participated in the development of this EIA.	
14. 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) The rule does not create any fiscal or economic impact on businesses, including small businesses. The rule is being updated to reflect current law; therefore any fiscal or economic impact is a result of the law and not this rule.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The department has created this proposed rule order to reflect statutory changes, as well as provide needed clarification and	

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

correction.

16. Long Range Implications of Implementing the Rule

No long range implications are anticipated.

17. Compare With Approaches Being Used by Federal Government

There are no similar approaches being used by Federal Government.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

There are no similar approaches being used by neighboring states.

19. Contact Name

Jen Chadwick

20. Contact Phone Number

608-266-8253

This document can be made available in alternate formats to individuals with disabilities upon request

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-

FISCAL ESTIMATE FORM

2019 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #
INTRODUCTION #
Admin. Rule # to be assigned

Subject

This rule seeks to: **amend** Tax 11.002 (3) (a) 3. a. and b., 11.01 (2) (c) 1. (Note), 11.09 (4) (a), 11.11 (2) (Note) and (3) (d) 2. (Note), 11.17 (3) (Chart), 11.20 (3) (a) 2., 11.34 (4) (a) 3. (Note), 11.46 (4) (b), 11.535 (4) (Note) and (5), 11.61 (1) (a) 4., (2) (b) 1., and (2) (c) (Note 2), 11.88 (6), and 11.925 (3) (b) 2; **relating to** sales and use tax provisions.

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 Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation	<input type="checkbox"/> Decrease Costs	

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 rule updates various sections as identified in the JCRAR report submitted on March 26, 2019, as follows.

- a. **Streamlined Sales Tax Registration System.** Section Tax 11.002 (3) (a) 3. a. and b. are amended to address a name change to the Streamlined Sales Tax Registration System.
- b. **Addresses and other contact information.** Sections Tax 11.01 (2) (c) 1. (Note), 11.11 (2) (Note) and (3) (d) 2. (Note), 11.34 (4) (a) 3. (Note), 11.535 (4) (Note) and (5) and Tax 11.925 (3) (b) 2. (Note) are amended to update old email and mailing addresses and telephone numbers.
- c. **Insulin.** Section Tax 11.09 (4) (a) is amended to clarify that insulin administered by a licensed pharmacist for treatment of diabetes as directed by a physician is deemed dispensed on a prescription as provided by sec. 77.54(14m), Stats.
- d. **Purchases by medical clinics and hospitals.** Section Tax 11.17 (3) (Chart) is amended to remove several items from taxable and exempt lists because they are no longer defined terms or are unclear as to use to definitively state they are taxable or exempt.
- e. **Beekeeping.** Sections Tax 11.20 (3) (a) 2. and 11.61 (1) (a) 4., (2) (b) 1., and (2) (c) (Note 2) are amended to include the tax treatment of drugs and services furnished by veterinarians for bees and products used in raising bees for research per 2017 WI Act 59.
- f. **Occasional sale exemption for nonprofit organizations.** Section Tax 11.46 (4) (b) is amended to update receipt and day thresholds for the nonprofit occasional sale exemption, as provided by 2015 Act 364, amending sec. 77.54(7m), Stats.
- g. **References.** Section Tax 11.88 (6) is amended to correct a rule reference.

The department has created this proposed rule order to reflect these statutory changes as well as provide needed clarification and correction as described above.

This rule makes changes to reflect current law and current department policy, therefore, there is no fiscal effect for the proposed rule.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Travis Arthur (608) 266-8565	Authorized Signature/Telephone No. Wisconsin Department of Revenue Jamie Adams (608) 266-6785	Date 2-26-2020
---	---	--------------------------

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2019 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #	Admin. Rule #
INTRODUCTION	to be assigned

Subject

This rule seeks to: **amend** Tax 11.002 (3) (a) 3. a. and b., 11.01 (2) (c) 1. (Note), 11.09 (4) (a), 11.11 (2) (Note) and (3) (d) 2. (Note), 11.17 (3) (Chart), 11.20 (3) (a) 2., 11.34 (4) (a) 3. (Note), 11.46 (4) (b), 11.535 (4) (Note) and (5), 11.61 (1) (a) 4., (2) (b) 1., and (2) (c) (Note 2), 11.88 (6), and 11.925 (3) (b) 2; **relating to** sales and use tax provisions.

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		-
TOTAL State Costs by Category	\$	\$ -
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		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Travis Arthur (608) 266-8565	Authorized Signature/Telephone No. Wisconsin Department of Revenue Jamie Adams (608) 266-6785	Date 2-26-2020
---	---	--------------------------