

**Report From Agency**  
**DEPARTMENT OF REVENUE**  
**CLEARINGHOUSE RULE NUMBER 24-090**  
**SEC. 227.19 (2) AND (3), WIS. STATS., REPORT**

**Basis and Purpose of the Proposed Rule**

2023 Wisconsin Act 12 created laws for innovation planning grants and innovation grants and required DOR to create rules for the grants. The Wisconsin Department of Revenue (DOR) proposes creation of Tax 21 for innovation planning grant and innovation grant programs pursuant to 2023 Wisconsin Act 12:

- Tax 21.01 provides the purpose – to clarify the administration of innovation grants and innovation planning grants under s. 79.038, Stats.
- Tax 21.02 defines 4 terms – department, municipality, transfer and tribe
- Tax 21.03 describes the methodology to determine fair market compensation attributed to the volunteer services of fire fighters and emergency medical services practitioners
- Tax 21.04 provides innovation planning grant information on eligibility and DOR's application to apply for the grant
- Tax 21.05 provides innovation grant information on eligibility, DOR's application to apply for the grant, and audit processing
- Tax 21.06 provides the notice date
- Section 2 provides the effective date upon publication in the register

**Public Hearing, Comments, and Department Response**

- a. Scope Statement
  - 3/18/24: Scope statement published [in register](#) and available [online](#)
  - 3/28/24: Received JCRAR directive to hold preliminary hearing
- b. Scope Statement Public Hearing
  - 4/1/24: Notice published [in register](#) and available [online](#)
  - 4/5/24: Scope statement hearing held, seven in attendance, no comments
- c. Economic and Environmental Impact
  - 11/18/24: [Notice and request](#) for comments on economic and environmental impact sent to customers
  - 12/2/24: Impact comment period closed, no comments
- d. Draft Rule Order Public Comment Period (1/21/25 – 2/4/25) and Public Hearing for Emergency Rule [EmR2414](#) and Proposed Permanent Rule [CR 24-090](#) (2/4/25)
  - 1/21/25: hearing notice published in [Register](#), [email](#) distributed to customers
  - 1/21/25: email from Peggy Fischer, Clerk, Town of Sheboygan
    - No comments specific to emergency rule [EmR2414](#) and proposed permanent rule [CR 24-090](#)
    - Peggy Fischer provided concern with the Town's population of 9,000 and ability to qualify for a grant
    - DOR responded with (1) state law that requires a population of 5,000 or less to qualify for the innovation planning grant; (2) information on the innovation grant where state law provides no population requirement; (3) reference to the [DOR website](#) for additional information.
  - 1/22/25: email from Connie Smart
    - No comments specific to emergency rule [EmR2414](#) and proposed permanent rule [CR 24-090](#)
    - Connie Smart requested a version that is easier to read for those who are not attorneys
    - DOR responded with the [DOR IG website](#) that provides information in a non-legal format

- 2/4/25: Rule hearing held
  - Les Norin, West Bend Fire Chief, attended: Les Norin provided no comments specific to emergency rule [EmR2414](#) and proposed permanent rule [CR 24-090](#). Les Norin provided concerns with the ability to meet the state law requirement of 10% savings to qualify for an innovation grant, in summary:
    - The 10% savings requirement is a barrier to access the grant funding
    - The 10% savings rule not only fails to consider that these services have been doing more with less for some time but requires further cuts to qualify for this grant
    - A more realistic evaluation of cost savings should be future focused as opposed to just looking at the last year or two
  - No other hearing attendees

## **Response to Legislative Council Report**

Attached is the Legislative Council report. The following summarizes the comments and DOR's action:

1. Statutory Authority
  - a. The rule was updated to include the recommended information on the method for determining fair market compensation for volunteer fire fighters and emergency medical practitioners
  - b. The rule was updated to include the state law, s. 20.002 (13), Stats., as the authority for DOR to extend grant eligibility to tribes
2. Form, Style and Placement in Administrative Code
  - a. The rule summary's plain language analysis was revised to include a brief description of the rule provisions
  - b. The rule was updated to designate a chapter number not previously used
  - c. The rule was updated to include a title to the chapter
  - d. The rule was updated to include small capital letters for the subsection titles
  - e. The rule was updated to replace the word "should" with the word "shall"
  - f. The rule was updated to include singular forms of the words "counties, municipalities, and tribes"
  - g. The rule was updated to remove the potential impact statement on small businesses
4. Adequacy of References to Related Statutes, Rules and Forms
  - The rule was updated to include the recommended notes with hyperlinks to the referenced webpage
5. Clarity, Grammar, Punctuation and Use of Plain Language
  - a. The rule was updated for lower case "department" and "revenue"
  - b. The rule was updated to include a definition of "municipality"
  - c. The rule was updated to move the "Notice date" to a separate section
  - d. The rule was updated and replaced "local government" with "municipalities, counties"
  - e. The rule was updated for the definition of "Tribe" as provided by Legislative Council
  - f. The rule was updated for lower case "United States bureau of labor statistics". The rule was updated and includes the word "attribute" or "attributed".
  - g. The rule was updated to include the introductory phrase "The department shall determine..."
  - h. The rule was updated to include the word "States" and change the words "Census Bureau" to lower case
  - i. The rule was updated to add the missing period
  - j. The rule was updated to provide record retention information
  - k. The rule was updated to include the statutory citation that allows DOR to direct DOA delay grant payments while conducting an audit
  - l. The rule was updated to include the statutory citation that causes a reduction in the final grant distribution

**Regulatory Flexibility Analysis**

The proposed rule order does not affect small businesses.