

FISCAL ESTIMATE FORM

2013 Session

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

LRB #	
INTRODUCTION #	
Admin rule #	Tax 11: Sales Tax Filing Frequency

Subject
Emergency Rule - Proposed order of the Department of Revenue relating to sales tax filing frequency

Fiscal Effect

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

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

- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No
- 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 |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input checked="" type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 - Counties Others Stadium Districts
 - 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 modifies Chapter TAX 11 of the Administrative Code regarding the requirements for quarterly and annual sales and use tax filing. Currently, a registered business with an annual sales and use tax liability not exceeding \$300 must only file sales and use tax returns on an annual basis. If the retailer prefers to file on a quarterly basis, it must contact the department. The proposal would increase the \$300 threshold to \$600, allowing more businesses to file sales and use tax returns on an annual basis. The change to the filing threshold would be effective January 1, 2014.

Based on information from state sales and use tax returns, the rule change is expected to affect 8,091 filers. While the proposal does not impact tax liabilities, sales tax returns for quarters ending March 31 and June 30 would be due Dec 31 of the next fiscal year. Assuming all affected businesses file on an annual basis, the proposal would result in a \$1.7 million non-recurring loss in FY14.

County and stadium sales and use taxes were 8.2% of state sales and use taxes in FY13. Assuming this does not change, county and stadium taxes would decrease by \$140,000 (non-recurring loss) in FY14.

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2013 Session

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Admin. Rule #
 Tax 11: Sales Tax
 Filing Frequency

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

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		-
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
NET CHANGE IN REVENUES	\$ _____	\$ 0

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