

## 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 July 30, 2019
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3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)

Chapter Tax 11 Update

4. Subject

2003 Wisconsin Act 99, 2009 Wisconsin Act 2, 2013 Wisconsin Act 20, and 2015 Wisconsin Acts 55, 60, 126, 170, 251, 361, and 364 have made numerous changes to Wisconsin's sales and use tax laws. This rule order makes changes to reflect current law and current department policy.

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
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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"/>
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	Decrease Costs	
			<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 <b>(if checked, complete Attachment A)</b>	

9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).

\$ None

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)?

Yes     No

11. Policy Problem Addressed by the Rule

This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state or local fiscal effect.

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.

Wisconsin Taxation Committee (WICPA), Wisconsin Manufacturers and Commerce (WMC), Wisconsin Association of Accountants (WAA), Tax Executives Institute (TEI), Independent Business Association of Wisconsin (IBAW), Wisconsin Independent Businesses (WIB), National Federation of Independent Businesses (NFIB), Council on State Taxation (COST), and National Association of Computerized Tax Processors (NACTP).

13. Identify the Local Governmental Units that 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 fiscal effect of the statutory changes is already reflected in prior general fund condition statements. This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

or local fiscal effect.

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### 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 correction.

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### 16. Long Range Implications of Implementing the Rule

The fiscal effect of the statutory changes is already reflected in prior general fund condition statements; therefore, there is no fiscal impact related to implementing the rule. The rule updates the Administrative Code to reflect statutory changes, as well as provide needed clarification and correction.

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### 17. Compare With Approaches Being Used by Federal Government

There are no similar approaches being used by Federal Government.

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

There are no similar approaches being used by neighboring states.

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<b>19. Contact Name</b>	<b>20. Contact Phone Number</b>
Jen Chadwick	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**

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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)

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

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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:

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

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5. Describe the Rule's Enforcement Provisions

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

- Yes    No
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**FISCAL ESTIMATE FORM**

**2019 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB #**

**INTRODUCTION #**

**Admin. Rule # to be assigned**

**Subject**

This rule repeals Tax 11.26 (2) (i); **amend** Tax 11.05 (2) (gm), (4) (f), and (4) (Note 1), 11.08 (6) (Note 2), 11.13 (6) (b) 2., 11.14 (2) (b) and (16), 11.26 (2) (q) and (3) (Note 2), 11.33 (4) (a) (intro) and (a) 3. and (5) (c), 11.34 (3) (bg), 11.35 (2) (b), (5) (a) and (a) (Example), (5) (b) and (b) (Example 1) and (Example 2), (6) (a) (Example 1), (Example 2), (Example 3), and (Example 5), (6) (b) and (b) (Example 2), (7) (b) (Example), (7) (c) (Example 1) and (Example 2), (7) (d) (Example), and (8) (Note 2), 11.41 (4) (a), 11.50 (4) (a) 1. a. and (5) (title), 11.52 (7) (Note 1) and (Note 2), 11.55 (2) (a) and (4) (Note 1) and (Note 2), 11.67 (3) (b) and (3) (Note 1), 11.68 (13) (Note 1) and (Note 2), 11.72 (1) (b) 2. and (3) (Note 2), 11.83 (1) (b), 11.97 (3) (b), (c), (d), (e), (f), and (g) and (8) (Note 2); and **create** Tax 11.01 (1) (gm), 11.26 (3) (i) and (j), 11.50 (5) (a) 9., 11.52 (7) (d), 11.68 (4) (a) (title), (4) (b) (title), (4) (c) (title), (4) (d) (title), (4) (e) (title), (4) (f) (title), (4) (fm), (4) (g) (title), (4) (h) (title), and (4) (i); **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

- 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

- |   |   |
|---|---|
| <p>1. <input type="checkbox"/> Increase Costs<br/> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs<br/> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues<br/> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues<br/> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> |
|---|---|

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:**

2003 Wisconsin Act 99, 2009 Wisconsin Act 2, 2013 Wisconsin Act 20, and 2015 Wisconsin Acts 55, 60, 126, 170, 251, 361, and 364 have made numerous changes to Wisconsin's sales and use tax laws. The department has created this proposed rule order to reflect these statutory changes, as well as provide needed clarification and correction.

The fiscal effect of the statutory changes is already reflected in prior general fund condition statements.

This rule order makes changes to reflect current law and current department policy. It makes no policy or other changes, therefore, there is no state or local fiscal effect.

**Long-Range Fiscal Implications:**

<p><b>Agency/Prepared by:</b>                  Wisconsin Department of Revenue                  Travis Arthur                  (608) 266-8565</p>	<p><b>Authorized Signature/Telephone No.</b>                  Wisconsin Department of Revenue                  Jamie Adams                  (608) 266-6785</p>	<p><b>Date</b>                  4-12-2019</p>
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2017 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

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

**Subject**

This rule repeals Tax 11.26 (2) (i); **amend** Tax 11.05 (2) (gm), (4) (f), and (4) (Note 1), 11.08 (6) (Note 2), 11.13 (6) (b) 2., 11.14 (2) (b) and (16), 11.26 (2) (q) and (3) (Note 2), 11.33 (4) (a) (intro) and (a) 3. and (5) (c), 11.34 (3) (bg), 11.35 (2) (b), (5) (a) and (a) (Example), (5) (b) and (b) (Example 1) and (Example 2), (6) (a) (Example 1), (Example 2), (Example 3), and (Example 5), (6) (b) and (b) (Example 2), (7) (b) (Example), (7) (c) (Example 1) and (Example 2), (7) (d) (Example), and (8) (Note 2), 11.41 (4) (a), 11.50 (4) (a) 1. a. and (5) (title), 11.52 (7) (Note 1) and (Note 2), 11.55 (2) (a) and (4) (Note 1) and (Note 2), 11.67 (3) (b) and (3) (Note 1), 11.68 (13) (Note 1) and (Note 2), 11.72 (1) (b) 2. and (3) (Note 2), 11.83 (1) (b), 11.97 (3) (b), (c), (d), (e), (f), and (g) and (8) (Note 2); and **create** Tax 11.01 (1) (gm), 11.26 (3) (i) and (j), 11.50 (5) (a) 9., 11.52 (7) (d), 11.68 (4) (a) (title), (4) (b) (title), (4) (c) (title), (4) (d) (title), (4) (e) (title), (4) (f) (title), (4) (fm), (4) (g) (title), (4) (h) (title), and (4) (i); **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:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
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. State Costs by Source of Funds</b>	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	\$	-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</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 Travis Arthur (608) 266-8565	<b>Authorized Signature/Telephone No.</b> Wisconsin Department of Revenue Jamie Adams (608) 266-6785	<b>Date</b> 4-12-2019
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