

## 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 August 1, 2019
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3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)

Chapter Tax 11 – Raising Animals

4. Subject

This proposed rule order treats all animals sold to private institutions of higher learning and government units as sold for qualified research.

The rule allows a seller, the person in the business of raising animals, to treat a customer, other than a university or government unit, as a biotechnology business if the person obtains an exemption certificate from the customer indicating the customer will use the animals exclusively and directly in qualified research, subject to DOR verifying that the customer actually meets the requirements in current sec. Tax 11.20(4), Wis. Adm. Code.

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

The rule relates to law created in 2009 Wis. Act 28, and amended by 2013 Wis. Act 20. This proposed rule order eases the administrative burden on persons affected by the law.

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 Federal of Independent Businesses (NFIB), Council on State Taxation (COST), National Association of Computerized Tax Processors (NACTP), and BioForward.

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

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Expected to be Incurred)

There is no fiscal effect for the proposed rule.

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### 15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This proposed rule order eases the administrative burden on persons affected by the law.

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

There is no fiscal effect for the proposed rule.

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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

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**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 seeks to **renumber and amend** Tax 11.20 (3) (c); **amend** Tax 11.20 (4) (a); and **create** Tax 11.20 (3) (c) 2. and (4) (am) and (Example); **relating** to sales and use tax provisions and affecting small business.

**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.  Increase Costs  
 Permissive  Mandatory
- 2.  Decrease Costs  
 Permissive  Mandatory

- 3.  Increase Revenues  
 Permissive  Mandatory
- 4.  Decrease Revenues  
 Permissive  Mandatory

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:**

This proposed rule order treats all animals sold to private institutions of higher learning and government units as sold for qualified research.

The rule allows a seller, the person in the business of raising animals, to treat a customer, other than a university or government unit, as a biotechnology business if the person obtains an exemption certificate from the customer indicating the customer will use the animals exclusively and directly in qualified research, subject to DOR verifying that the customer actually meets the requirements in current sec. Tax 11.20(4), Wis. Adm. Code.

This proposed rule order eases the administrative burden on persons affected by the law.

There is no fiscal effect for the proposed rule.

**Long-Range Fiscal Implications:**

<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> 5-13-2019
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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>	to be assigned

**Subject**

This rule seeks to **renumber and amend** Tax 11.20 (3) (c); **amend** Tax 11.20 (4) (a); and **create** Tax 11.20 (3) (c) 2. and (4) (am) and (Example); **relating** to sales and use tax provisions and affecting small business.

**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**

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

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