

FISCAL ESTIMATE FORM

2017 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #
INTRODUCTION #
Admin. Rule # SS 129-17, TAX 11.905

Subject

This rule creates Tax 11.905 defining criteria applicable to field audits for which an auditor uses a statistical sampling method.

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 | | |
- 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:

2017 Wisconsin Act 59 provided that the Department of Revenue shall promulgate rules to establish criteria for field audit statistical sampling.

This rule order makes changes to reflect current law and current department audit practices as provided in Department of Revenue Publication 516, *Statistical Sampling*.

The rule provides that for businesses under audit with less than \$10,000,000 in annual sales, the business may request its audit be conducted using the statistical sampling method. The maximum number of sample units selected for review for each sample population from which a statistical sample is drawn may not exceed 10 percent of the sample population or 15,000 transactions, whichever is less. This limitation does not apply if the relative precision of the sample is greater than 20 percent.

The rule codifies current Department of Revenue audit practices and is not expected to have an impact on audit collections or administrative costs. However, the limits to sample size may negatively impact precision in some cases. This may result in higher or lower individual assessment amounts than under current practices.

Long-Range Fiscal Implications:

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FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2017 Session

- ORIGINAL UPDATED
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LRB #
INTRODUCTION #

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Subject

This rule creates Tax 11.905 defining criteria applicable to field audits for which an auditor uses a statistical sampling method.

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

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