



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #689

GPR-Earned (DOR -- Tax Administration)

Bill Agency

CURRENT LAW

Wisconsin counties may adopt a 0.5% sales tax imposed on the same goods and services that are subject to the state sales tax. The tax is "piggybacked" onto the state sales tax in that the county rate is added to the state rate and the county tax is administered, enforced and collected by the state. Currently, 60 counties have adopted a county sales tax.

The Department of Revenue retains 1.75% of total county sales tax collections to fund the costs of administering the county sales tax. The administrative funds are placed in a program revenue (PR) county sales tax administration appropriation, and the year-end unencumbered balance in the appropriation lapses to the general fund. The Department is provided base level expenditure authority of \$3,359,300 PR and 32.75 PR positions to administer the county sales tax.

GOVERNOR

Estimate the lapse to the general fund from the Department's county sales tax administration appropriation to be \$1,708,200 in 2007-08 and \$1,911,800 in 2008-09.

MODIFICATION

Make the following reestimate:

	<u>2007-08</u>			<u>2008-09</u>		
<u>Budget Bill</u>	<u>Reestimate</u>	<u>Decrease</u>	<u>Budget Bill</u>	<u>Reestimate</u>	<u>Decrease</u>	
\$1,708,200	\$1,603,500	\$104,700	\$1,911,800	\$1,656,900	\$254,900	

Explanation: The new GPR-Earned reestimate adjusts projected county sales tax collections to reflect current estimates of state sales tax collections, which are lower than the projections used by the administration.

	Change to Bill Revenue	Change to Base Revenue
GPR	- \$359,600	- \$45,000

Prepared by: Ron Shanovich