



## Legislative Fiscal Bureau

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TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: State Tax and Fee Modifications Included in 2017 Act 59

The attached table provides a brief description of each state tax and fee modification included in 2017 Act 59, the 2017-19 biennial budget act. The table consists of three parts: (1) tax increases and decreases; (2) fee increases and decreases; and (3) enhanced collection measures. Each entry in the table includes the agency name, the Legislative Fiscal Bureau's November, 2017, comparative budget document item that describes the change in more detail, a summary of the modification, and an estimate of the revenue change due to the tax or fee modification.

In the table, GPR represents general fund revenue. Revenue to a program revenue account is signified by PR and SEG signifies revenue to a segregated fund. "Unknown" means that no estimate of the revenue impact is available at this time.

In summary, the changes included in Act 59 would decrease net taxes by \$147,437,800 (-\$63,130,700 in 2017-18 and -\$84,307,100 in 2018-19) and would increase net fees by \$10,613,300 (\$3,136,400 in 2017-18 and \$7,476,900 in 2018-19). In addition, it is estimated that measures included in Act 59 to enhance the collection of current taxes would generate an additional \$62,750,000 (\$27,000,000 in 2017-18 and \$35,750,000 in 2018-19).

The sum of these revenue changes for the 2017-19 biennium follows:

### Net Tax and Fee Changes

	<u>2017-18</u>	<u>2018-19</u>	<u>Total</u>
GPR	\$31,128,900	\$16,556,900	\$47,685,800
PR	1,190,000	-2,908,000	-1,718,000
SEG	<u>-92,313,200</u>	<u>-90,479,100</u>	<u>-182,792,300</u>
Total	-\$59,994,300	-\$76,830,200	-\$136,824,500

### Enhanced Collection Measures

	<u>2017-18</u>	<u>2018-19</u>	<u>Total</u>
GPR	\$27,000,000	\$35,750,000	\$62,750,000

	2017-18	2018-19	Fund Source
<b>TAX INCREASES</b>			
<b>GENERAL FUND TAXES</b>			
<b>Manufacturing and Agriculture Credit (MAC)/Other States Tax Credit.</b> [Page 268, Item 4]. Modify the MAC by reducing the amount of income on which the credit is calculated by the amount of that same income that is claimed under the credit for taxes paid to another state, beginning with tax year 2017.	\$9,700,000	\$9,700,000	GPR
<b>Limit Supplement to Federal Historic Rehabilitation Tax Credit.</b> [Page 275, Item 19]. Modify the state supplement to the federal historic rehabilitation tax credit as follows: (a) specify that if a person that claims the state credit is required to repay any amount of the federal credit for the same qualified rehabilitation expenditures on which the state credit was claimed, that person would have to repay a proportionate amount of the state credit; (b) limit the amount of historic credits that the Wisconsin Economic Development Corporation (WEDC) can certify a person to receive to no more than \$500,000 for all rehabilitation projects undertaken on the same parcel, beginning with certifications on July 1, 2018; and (c) prohibit WEDC from certifying nonprofit entities that are not defined under section 501(c)(3) of the Internal Revenue Code as eligible to claim the credit unless WEDC submits a request to certify the entity to the Joint Committee on Finance under a 14-day passive review process. It is estimated that, in 2018-19 dollars, these provisions will increase general fund taxes by \$2.3 million in 2018-19, \$11.6 million in 2019-20, \$23.8 million in 2020-21, \$31.1 million in 2021-22, \$35.9 million in 2022-23, \$40.6 million in 2023-24, \$44.7 million in 2024-25, and \$46.5 million in 2025-26 and annually thereafter.	\$0	\$2,300,000	GPR
<b>Itemized Deduction Credit for Non-Residents and Part-Year Residents.</b> [Page 268, Item 5]. Require that nonresident and part-year resident (NPR) filers must use the standard deduction prior to the application of the NPR apportionment ratio when they calculate the state itemized deduction credit, beginning with tax year 2017.	\$580,000	\$590,000	GPR
<b>Treatment of Net Operating Losses.</b> [Page 280, Item 26]. Prohibit a net operating loss (NOL) carryforward from being offset against Wisconsin income under the individual income tax and the corporate income/franchise tax unless the incurred loss was computed on a return that was filed within four years of the unextended due date for filing the original return for the taxable year in which the loss was incurred. Also, impose a similar restriction on loss carrybacks under the individual income tax. In addition, clarify that the 20-year period for loss carryforwards means the immediately preceding 20 years, and that it would apply to losses incurred (rather than sustained) during that period of time. Finally, clarify that NOLs incurred by insurance companies could be carried forward only if the insurer was subject to the Wisconsin income and franchise tax in the year when the loss was incurred.	\$1,000,000	\$1,000,000	GPR
<b>Credit for Taxes Paid to Other States.</b> [Page 282, Item 30]. Effective in tax year 2017, modify the credit for taxes paid to other states by limiting the amount of the credit that may be claimed to the amount of taxes that would be paid if the same income was taxed under the Wisconsin individual income tax. For Wisconsin residents with income taxed in the four surrounding states, allow those residents to calculate the credit for that income without the new limitation.	\$11,300,000	\$9,000,000	GPR

	2017-18	2018-19	Fund Source
<b>Delay the Effective Date for 2013 Act 229.</b> [Page 288, Item 2]. Delay the effective date for 2013 Act 229 from July 1, 2017, to July 1, 2078. Act 229 creates a deduction under the sales tax for bad debts associated with private label credit cards.	\$10,151,800	\$10,436,000	GPR
<b>Taxation of Off-Highway Motorcycles.</b> [Page 291, Item 5]. Treat off-highway motorcycles the same as other motor vehicles under the sales and use tax.	\$215,000	\$215,000	GPR
<b>SHARED REVENUE AND TAX RELIEF</b>			
<b>Homestead Tax Credit Modifications and Disqualified Loss Limitations.</b> [Page 657, Item 6 and Page 660, Item 8]. Modify the homestead tax credit for claims filed for tax year 2018 and thereafter by limiting the credit to claimants aged 62 or older, whose spouse is 62 or older, those with disabilities, and those with earned income. Non-disabled claimants under the age of 62 with no earned income would be ineligible for the credit after tax year 2017 (\$7,000,000 in 2018-19). Also, for claimants with disqualified losses, generally defined as the sum of a claimant's net business or capital investment losses, include the total amount of the loss in the calculation of household income for the purpose of calculating the homestead tax credit. For claimants with disqualified losses, this modification would have the effect of increasing their household income and reducing their credit (\$1,600,000 annually).	\$1,600,000	\$8,600,000	GPR
<b>SUBTOTAL -- TAXES -- INCREASES</b>	\$34,546,800	\$41,841,000	GPR
<b>TAX DECREASES</b>			
<b>GENERAL FUND TAXES</b>			
<b>Alternative Minimum Tax (AMT).</b> [Page 283, Item 32]. Eliminate the state AMT, effective in tax year 2019. Estimate decreased tax revenues of \$1.75 million in 2018-19, and \$7 million annually thereafter.	\$0	-\$1,750,000	GPR
<b>Capital Gains Provision for Qualified Wisconsin Businesses</b> [Page 269, Item 8]. Modify the current law procedure for determining the number of employees of a qualified Wisconsin business under two capital gains treatments by specifying that an employee of a professional employer organization or group who is performing services for a client is considered an employee solely of the client. Under current law, income tax on capital gains may be deferred if the gain is reinvested in a qualified Wisconsin business, and a capital gains exclusion may be claimed for the gains from a qualified Wisconsin business, provided other conditions are met. State law requires the Department of Revenue (DOR) to register qualified Wisconsin businesses that meet specified employment and property requirements. Under the employment requirement, the business must have at least two full-time employees and at least half of the payroll compensation of the business must be paid in Wisconsin. The Act 59 provision clarifies that employees of professional employer organizations or groups for a client may be considered employees of the client if the client is a qualified Wisconsin business.	Minimal	Minimal	GPR
<b>Exemption for Certain Interest Income.</b> [Page 269, Item 7]. Provide an exclusion under the individual income tax for interest income on debt issued by certain authorities.	Minimal	Minimal	GPR

	2017-18	2018-19	Fund Source
<b>Adoption Deduction.</b> [Page 282, Item 29]. Allow the \$5,000 state deduction for adoption expenses to be claimed for adoptions finalized in other states and countries, effective in tax year 2017.	Minimal	Minimal	GPR
<b>Internal Revenue Code (IRC) Update.</b> [Page 272, Item 14]. With certain exceptions, update references to the federal IRC under state income and franchise tax statutes to refer to the code in effect on December 31, 2016, instead of December 31, 2013.	-\$600,000	-\$800,000	GPR
<b>Charitable Contributions from IRAs.</b> [Page 272, Item 14]. As under federal law, allow persons over 70½ years of age to exclude from taxable income up to \$100,000 distributed from an individual retirement account to a charitable organization, effective in tax year 2018.	\$0	-\$4,800,000	GPR
<b>Apportionment for Broadcasters.</b> [Page 283, Item 33]. Effective in tax year 2019, specify that income earned by broadcasters from advertising and gross royalties and other gross receipts received by broadcasters for the use or license of intangible property would generally be apportioned to Wisconsin on the basis of the commercial domicile of the purchaser, rather than the location of the audience. It is estimated that these changes will result in reduced general fund tax revenues of \$3.2 million in 2018-19 and \$13.0 million in 2019-20 and thereafter. Segregated revenues from the economic development surcharge will decrease by an estimated \$120,000 in 2018-19 and \$470,000 in 2019-20 and thereafter.	\$0 \$0	-\$3,200,000 -\$120,000	GPR SEG
<b>Make Research Credits Partially Refundable.</b> [Page 285, Item 34]. Allow 10% of the state research expense credits to be refundable, beginning in tax year 2018. Estimate increased used credits of \$2.1 million in 2018-19, \$7.5 million in 2019-20, and \$9.0 million in 2020-21.	\$0	-\$2,100,000	GPR
<b>Income Tax Exclusion for Olympians.</b> [Page 282, Item 31]. Exclude from the individual income tax, regardless of the individual's federal adjusted gross income, the value of any Olympic, Paralympic, or Special Olympics medal won by an individual and the amount of any payment an individual receives from the U.S. Olympic Committee or from the Special Olympics Board of Directors, but only to the extent that the payment is made because the individual won an Olympic, Paralympic, or Special Olympics medal. Extend the exclusion retroactively to tax year 2016 and to tax years thereafter.	Minimal	Minimal	GPR
<b>Retailer's Sale of Food Prepared Offsite.</b> [Page 290, Item 4]. Create a sales tax exemption for prepared food that is sold by a retailer and: (a) manufactured by the retailer in a building assessed as manufacturing property; (b) the retailer makes no retail sales of prepared food at this building; (c) the retailer freezes the prepared food prior to its sale; (d) the retailer sells the prepared food in its frozen state; (e) the prepared food is not sold with eating utensils; and (f) the prepared food is not candy, soft drinks, or dietary supplements.  In addition, specify that food consisting of more than 50% yogurt that is prepared by a retailer away from its retail establishment in a building assessed as manufacturing property at which no sales of prepared food are made and subsequently sold by the retailer at its retail establishment would be exempt from the sales tax.	-\$1,150,000	-\$1,200,000	GPR

	2017-18	2018-19	Fund Source
<b>Sales Tax Occasional Sales Threshold.</b> [Page 292, Item 7]. Increase the gross receipts threshold for the occasional sales exemption under the sales and use tax, effective on January 1, 2018.	-\$84,900	-\$169,100	GPR
<b>Taxation of Lump Sum Construction Contracts.</b> [Page 289, Item 3]. Expand the sales and use tax exemption for lump sum construction contracts to apply to all construction contracts and to subcontractors.	-\$1,250,000	-\$1,500,000	GPR
<b>Sales Tax on Building Materials for Technical Colleges and University of Wisconsin.</b> [Page 294, Item 13]. Effective July 1, 2018, create a sales and use tax exemption for tangible personal property sold to construction contractors who, in the fulfillment of a contract for real estate construction activities, transfer the property to technical colleges or the University of Wisconsin.	\$0	-\$2,500,000	GPR
<b>Sales Tax on Amusement Devices.</b> [Page 293, Item 9]. Provide a sales and use tax exemption for video and electronic games sold in a tangible form to a person in the business of providing taxable services through an amusement device if the video or electronic game is used exclusively for the amusement device and is invoiced as a separate item from the amusement device. Further, provide an exemption for tangible personal property sold to a person in the business of providing a taxable service through an amusement device if the tangible personal property is used exclusively as a prize awarded or transferred through the use of an amusement device. Specify that these provisions take effect on the first day of the third month beginning after publication of the budget bill.	Minimal	Minimal	GPR
<b>Sales Tax on Tournament or League Entrance Fees.</b> [Page 293, Item 10]. Effective on the first day of the third month beginning after publication of the bill, provide a sales and use tax exemption for tournament or league entrance fees advertised and set aside as prize money.	Minimal	Minimal	GPR
<b>Sales Tax on Beekeeping.</b> [Page 294, Item 11]. Effective on the first day of the third month beginning after publication of the bill, provide that beekeeping (the business of moving, raising, producing, and other management of bees or bee products) is considered the business of farming, regardless of the number of hives of bees managed, for purposes of sales and use tax exemptions for farm inputs. Further, provide that a retailer includes a person selling drugs for bees to a veterinarian. Under the current administrative code, as it relates to the sales tax, "farming" includes the raising of bees and the production of honey products by a beekeeper having 50 or more hives.	Minimal	Minimal	GPR
<b>Sales Tax on Farm-Raised Fish.</b> [Page 294, Item 12]. Specify that sales of farm-raised fish to a fish farm that is registered with the Department of Agriculture, Trade, and Consumer Protection are exempt from the sales tax, effective on the day after publication of the budget bill.	-\$33,000	-\$65,000	GPR
<b>Sales Tax on Internet Access Charges.</b> [Page 295, Item 16]. Repeal the state statute that imposes the sales tax on internet access services, effective on July 1, 2020. Beginning on that date, federal law will prohibit states from imposing the sales tax on such services. The estimated revenue loss is \$166.0 million annually beginning in 2020-21.	See Text	See Text	

	2017-18	2018-19	Fund Source
<b>Cigarette Discount.</b> [Page 295, Item 17]. Increase the cigarette tax stamp discount from 0.7% to 0.8% for cigarette manufacturers, bonded direct marketers, and distributors, effective on the first day of the third month beginning after publication of the bill.	-\$300,000	-\$600,000	GPR
<b>HEALTH SERVICES</b>			
<b>Ambulatory Surgical Center Assessment.</b> [Page 331, Item 10]. Repeal all statutory provisions relating to the ambulatory surgical center (ASC) assessment. Reduce estimates of revenue the state collects from the assessment for deposit to the medical assistance trust fund by \$5,000,000 annually to reflect the elimination of the assessment.	-\$5,000,000	-\$5,000,000	SEG
<b>INSURANCE</b>			
<b>Nonresident Insurance Appointment Fee.</b> [Page 411, Item 7]. Reduce the annual fee for nonresident insurance appointments by \$10, from \$40 to \$30, effective January 1, 2019. Reduce estimated PR revenue collected by the Office of the Commissioner of Insurance by \$4,100,000 in 2018-19 to reflect this reduction. Reduce estimates of excess revenues collected by OCI that are deposited to the general fund by \$4,100,000 in 2018-19	\$0 \$0	-\$4,100,000 -\$4,100,000	GPR PR
<b>NATURAL RESOURCES</b>			
<b>Sunset Forestry Mill Tax.</b> [Page 508, Item 1 and Page 662, Item 1]. Sunset the state forestry mill tax, or "forestation state tax," effective with the January 1, 2017, property tax assessments (property taxes levied in 2017, for payment in 2018). The tax generated approximately \$86 million in fiscal year 2016-17 and provides the majority of revenue to the forestry account of the conservation fund. Instead, create a sum-sufficient GPR appropriation and specify that an amount of GPR equal to the amount that would have been provided under the forestry mill tax be transferred to the conservation fund annually.	-\$89,259,600	-\$91,644,000	SEG
<b>SHARED REVENUE AND TAX RELIEF</b>			
<b>Indexing Homestead Tax Credit for Claimants 62 or Older or Disabled.</b> [Page 415, Item 6]. Beginning with tax year 2018, annually index the following current law homestead tax credit formula factors for claimants 62 or older, whose spouse is 62 or older, or those who are disabled: (a) the maximum household income amount from the current level of \$24,680; and (b) the maximum income threshold amount from the current level of \$8,060.	\$0	-\$2,500,000	GPR
<b>SUBTOTAL -- TAXES -- DECREASES</b>	-\$3,417,900 \$0 -\$94,259,600	-\$25,284,100 -\$4,100,000 -\$96,764,000	GPR PR SEG
<b>FEE INCREASES</b>			
<b>AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>			
<b>Agricultural Chemical Licenses and Surcharges.</b> [Page 98, Item 2]. Make various changes to fees and surcharges assessed on agricultural chemicals and commercial feed distributed or sold in Wisconsin. These changes would increase certain revenues	\$2,510,000	\$2,420,000	SEG

	2017-18	2018-19	Fund Source
<p>by: (a) introducing new surcharges (\$25 per year) for bulk fertilizer distribution or bulk pesticide manufacture or distribution; (b) introducing minimum tonnage fees (\$46 per year) for commercial feed sales less than 200 tons annually; and (c) replacing a tiered fee structure based on annual product sales for pesticide product licenses and surcharges, which vary from \$265 to \$323 for low-volume products, with uniform license fees (\$500) and cleanup surcharges (\$30) per registered product.</p> <p>Fees and surcharges are deposited into the segregated agrichemical management fund (ACM), agricultural chemical cleanup fund (ACCP), or environmental management account (EMA) of the environmental fund for the purposes of DATCP administration of agrichemical programs, cleanup activities related to agrichemical spills or contamination, and environmental programs for remediation of contaminated lands and waters. Bill provisions would increase fees on certain agricultural products by fund as follows: (a) for ACM SEG, \$2,265,000 in 2017-18 and \$2,315,000 in 2018-19; (b) for ACCP SEG, \$150,000 in 2017-18; and (c) for EMA SEG, \$95,000 in 2017-18 and \$105,000 in 2018-19.</p> <p>Fee increases would be subsumed by greater reductions in revenue as described in a separate entry under "Fee Decreases." The net effect of all fee and surcharge changes would be a reduction of approximately \$3.8 million over the biennium.</p>			
<p><b>Weights and Measures Inspection Fees.</b> [Page 98, Item 2]. Require a minimum weights and measures inspection fee for commercial feed totaling fewer than 200 tons annually. The current weights and measures inspection fee for commercial feed is 2¢, and the minimum fee would be \$4.</p>	\$0	\$2,000	PR
<p><b>FINANCIAL INSTITUTIONS</b></p> <p><b>Expedited Service Fees.</b> [Page 261, Item 4]. Establish the following fees for expedited service by the Department of Financial Institutions (DFI) in processing certain records filed by business entities: (a) \$500 for processing within one hour or less from filing; and (b) \$250 for processing within four hours or less from filing. The additional fee revenue will be deposited as program revenue into DFI's general program operations appropriation. However, any balance at the close of a fiscal year under that appropriation lapses to the general fund.</p>	\$1,640,000	\$1,640,000	PR
<p><b>NATURAL RESOURCES</b></p> <p><b>Parks Fee Increases</b> [Page 515, Item 15]. Adopt the Governor's recommendation to increase most state park and forest daily vehicle admission fees by up to \$5 at the discretion of the Secretary of the Department of Natural Resources (DNR). Adopt the Governor's recommendation to increase the range of nightly camping fees in state parks and forests by up to \$10, at the DNR Secretary's discretion. In addition, increase the statutory cap on the percentage of campsites in state parks that may be electrified from 30% to 35%. Further, specify that the nightly fee for electric campsites at the following five high-demand parks be \$15, rather than the current \$10 fee: Devil's Lake, High Cliff, Kohler-Andrae, Peninsula, and Willow River. Specify the increases take effect on January 1, 2018.</p>	\$1,100,000	\$2,445,000	SEG

	2017-18	2018-19	Fund Source
<b>PUBLIC INSTRUCTION</b>			
<b>Newsline for the Blind and Library Service Contracts.</b> [Page 600, Items 18 and 19] Provide \$16,900 in 2017-18 and \$35,300 in 2018-19 for the program that provides access to newspapers for the blind, and \$3,200 in 2017-18 and \$7,100 in 2018-19 for library service costs. Funding is from the universal service fund, which receives its funding through Public Service Commission assessments on annual gross operating revenues from intrastate telecommunications providers, which they can fully recover through pass-through assessments on subscribers.	\$20,100	\$42,400	SEG
<b>TRANSPORTATION</b>			
<b>Hybrid-Electric/Electric Vehicle Fees.</b> [Page 691, Item 15]. Create a \$75 fee for hybrid-electric vehicles and a \$100 fee for electric vehicles, effective January 1, 2018, which would be paid in addition to the existing annual registration fees for passenger vehicles designed for highway use that are powered by hybrid-electric or electric engines. Specify that the fee would apply to automobiles, vans, sport utility vehicles, and light trucks with a gross vehicle weight of 8,000 pounds or less, but would not apply to municipal-plated vehicles, farm-use-plated vehicles, motorcycles, or vehicles registered with a gross vehicle weight in excess of 8,000 pounds.  Define a hybrid electric vehicle as a vehicle that is capable of using gasoline, diesel fuel, or alternative fuel to propel the vehicle but that is propelled to a significant extent by an electric motor that draws electricity from a battery that has a capacity of not less than 4 kilowatt hours and may be capable of being recharged from an external source of electricity.  Define a non-hybrid electric vehicle as a vehicle that is propelled solely by electrical energy and that is not capable of using gasoline, diesel fuel, or alternative fuel to propel the vehicle.	\$2,621,300	\$5,782,500	SEG
<b>SUBTOTAL -- FEES -- INCREASES</b>	\$1,640,000 \$6,251,400	\$1,642,000 \$10,689,900	PR SEG
<b>FEE DECREASES</b>			
<b>AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>			
<b>Agricultural Chemical Licenses and Surcharges.</b> [Page 98, Item 2]. Make various changes to fees and surcharges assessed on agricultural chemicals and commercial feed distributed or sold in Wisconsin. These changes would reduce certain license and surcharge revenues by: (a) replacing a tiered pesticide products license fee structure, which varies from \$750 to \$3,060 for high-volume pesticides under current law, with a uniform annual license fee (\$500) and cleanup surcharge (\$30); (b) repealing license fees and surcharges assessed as a percentage of annual sales; (c) delaying the payment of soil and plant additive licenses and tonnage payments due to a modified license year; (d) lowering surcharges related to pesticide application activities by individuals and businesses, and for restricted-use pesticides; and (e) repealing the hazardous household waste fee and wood pesticide product surcharge. Additionally, the bill would repeal and recreate the procedure for reducing ACCP surcharges, contingent on the ACCP fund balance, which would eliminate most ACCP SEG surcharge revenues for 2018-19.	-\$4,305,000	-\$4,405,000	SEG

	2017-18	2018-19	Fund Source
<p>Bill provisions would reduce fees on certain agricultural products by fund as follows: (a) for ACM SEG, -\$3,005,000 in 2017-18 and -\$2,930,000 in 2018-19; (b) for ACCP SEG, -\$1,155,000 in 2017-18 and -\$1,350,000 in 2018-19; and (c) for EMA SEG, -\$145,000 in 2017-18 and -\$125,000 in 2018-19.</p> <p>These decreases would be partially offset by increases in per-product registration and introduction of new surcharge categories; however, the net effect of all fee and surcharge changes would be a reduction of approximately \$3.8 million over the biennium. [See entry under "Fee Increases" for more information.]</p>			
<p><b>Stray Voltage Fees.</b> [Page 103, Item 4]. Delete 3.8 positions in the Department of Agriculture, Trade and Consumer Protection (DATCP) for the stray voltage program, which seeks to identify and resolve farm electric wiring and distribution problems that otherwise may negatively impact livestock. Reduced appropriations, by the amounts shown at right, would reduce both: (a) assessments made by the Public Service Commission that are transferred to DATCP for program operations [by \$280,000 annually]; and (b) DATCP assessments on rural electric cooperatives [by \$10,000 annually].</p>	-\$290,000	-\$290,000	PR
<p><b>PUBLIC INSTRUCTION</b></p> <p><b>Eliminate Expiration Dates for Teaching and Administrator Licenses.</b> [Page 596, Item 9]. Eliminate expiration dates for teaching and administrator licenses issued by DPI. Under current practice, a fee is charged to renew a license. Funding in the appropriation for teacher licensing will be reduced by \$393,500 annually to reflect this change. However, the actual decrease in fee revenue is unknown.</p>	See Text	See Text	PR
<p><b>SAFETY AND PROFESSIONAL SERVICES</b></p> <p><b>Rental Unit Energy Efficiency Program.</b> [Page 631, Item 9]. Repeal the rental unit energy efficiency program and associated fees for inspection and certification of rental dwelling units under program requirements. The program requires certain rental units to comply with DSPTS rules for weatherization and energy efficiency prior to sale or transfer.</p>	-\$160,000	-\$160,000	PR
<p><b>SUBTOTAL -- FEES -- DECREASES</b></p>	-\$450,000 -\$4,305,000	-\$450,000 -\$4,405,000	PR SEG
<b>ENHANCED COLLECTION MEASURES</b>			
<p><b>GENERAL FUND TAXES</b></p> <p><b>Assessments to Recover Revoked Tax Credits.</b> [Page 279, Item 24]. Permit DOR to make an assessment to recover all or a part of any tax credit claimed by the taxpayer that was revoked by WEDC within one year of receiving notice of the revocation from WEDC.</p>	Minimal	Minimal	GPR
<p><b>Employer Verification for Income Tax Refunds.</b> [Page 271, Item 13]. Specify that DOR may not issue an individual income tax refund to an employed individual before March 1 unless both the individual and his or her employer have filed all required returns and forms for the applicable tax year.</p>	Minimal	Minimal	GPR

	2017-18	2018-19	Fund Source
<b>Authority to Recover Revoked Tax Credits.</b> [Page 277, Item 20]. Allow WEDC to recover electronics and information technology zone tax credits that have been revoked or that are otherwise invalid from a pass-through entity or its owners.	Minimal	Minimal	GPR
<b>REVENUE</b>			
<b>Business Information Returns.</b> [Page 618, Item 5]. Make a number of modifications regarding wage reporting and information returns required of businesses.	\$3,000,000	\$3,000,000	GPR
<b>Auditors and Debt Collection Staff.</b> [Page 616, Item 1 and Item 2]. Add 38.0 auditing and tax collection positions and 8.0 state debt collection positions in DOR. All 46 positions are four-year project positions beginning on October 1, 2017, and ending on September 30, 2021.	\$24,000,000	\$32,750,000	GPR
<b>SUBTOTAL -- ENHANCED COLLECTION MEASURES</b>	\$27,000,000	\$35,750,000	GPR