



Legislative Fiscal Bureau

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March 22, 2023

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: State Tax and Fee Modifications Included in the Governor's 2023-25 Budget Recommendations

The attached table provides a brief description of each state tax and fee modification proposed in the Governor's version of the budget (AB 43/SB 70). The table consists of three parts: (a) tax increases and decreases; (b) fee increases and decreases; and (c) enhanced collection measures. Each entry in the table includes the agency name, the Legislative Fiscal Bureau's budget document item that describes the change in more detail, a brief summary of the proposed 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. TANF refers to federal funding from the temporary assistance for needy families block grant. "Unknown" means that no estimate of the revenue impact is available at this time.

In summary, the changes included in the Governor's budget would increase net taxes by \$100,034,900 (\$54,647,000 in 2023-24 and \$45,387,900 in 2024-25) and would increase net fees by \$8,006,500 (\$3,128,500 in 2023-24 and \$4,878,000 in 2024-25). In addition, it is estimated that measures included in AB 43/SB 70 to enhance the collection of current taxes would generate an additional \$34,128,500 (\$716,000 in 2023-24 and \$33,412,500 in 2024-25).

The sum of these revenue changes in the 2023-25 biennium follows:

Net Tax and Fee Changes

	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
GPR	\$97,742,000	-\$48,617,100	\$49,124,900
PR	686,100	939,800	1,625,900
SEG	1,767,400	142,603,200	144,370,600
TANF	<u>-42,420,000</u>	<u>-44,660,000</u>	<u>-87,080,000</u>
Total	\$57,775,500	\$50,265,900	\$108,041,400

Enhanced Collection Measures

	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
GPR	\$716,000	\$33,412,500	\$34,128,500

	2023-24	2024-25	Fund Source
TAX INCREASES			
GENERAL FUND TAXES			
Manufacturing and Agriculture Tax Credit (MAC) Limitations. [Page 191, Item 2]. Limit the amount of qualified production activities income from manufacturing activities a claimant may use to compute the MAC to no more than \$300,000, beginning in tax year 2023. This provision would effectively provide for a maximum MAC claim of \$22,500 for income derived from manufacturing activities.	\$348,700,000	\$306,400,500	GPR
Internal Revenue Code (IRC) Update - Tax Cuts and Jobs Acts of 2017 (TCJA). [Page 192, Item 3]. Update references to the IRC under the individual income and corporate income/franchise taxes to adopt certain provisions of the TCJA, P.L. 115-97, as amended by subsequent federal legislation, for taxable years beginning after December 31, 2022. Specifically, the following TCJA provisions would be adopted: (a) loss limitation for taxpayers other than corporations; (b) accounting rules for accrual method taxpayers; (c) limitation on the deduction for business interest; (d) limitation on the deduction for entertainment, amusement, and recreation expenses; (e) limitation on the deduction of Federal Deposit Insurance Corporation (FDIC) premiums; and (f) modification of the limitation on the deduction for highly paid individuals.	\$188,000,000	\$199,200,000	GPR
IRC Update - Federal Legislation Enacted in 2021 and 2022. [Page 193, Item 4]. For taxable years beginning after December 31, 2022, adopt the selected IRC provisions included in the following federal laws that were enacted in 2021 and 2022: (a) American Rescue Plan Act of 2021; (b) Paycheck Protection Program Extension Act of 2021; (c) Surface Transportation Extension Act of 2021; (d) Further Surface Transportation Extension Act of 2021; (e) Infrastructure Investment and Jobs Act; (f) Consolidated Appropriations Act of 2022; (g) Supreme Court Security Funding Act of 2022; and (h) Inflation Reduction Act of 2022. Further, beginning in tax year 2022, specify that changes to Section 529 of the IRC related to college savings plans would be automatically adopted for state tax purposes.	-\$400,000	\$1,400,000	GPR
Limit Capital Gains Exclusion. [Page 194, Item 5]. Limit the current law exclusion for 30% of an individual's net long-term, nonfarm capital gain, beginning in tax year 2023. Prohibit an individual with federal adjusted gross income (AGI) above the following thresholds from claiming the exclusion: (a) \$400,000 for single and head-of-household filers, estates, and trusts; (b) \$533,000 for married-joint filers; and (c) \$266,500 for married-separate filers. However, if an individual's federal AGI, less 30% of the capital gains otherwise eligible for the exclusion, is below the applicable AGI threshold, the individual's exclusion would be reduced by the amount by which their federal AGI exceeds the applicable threshold amount.	\$185,200,000	\$154,200,000	GPR
Limit Private School Tuition Deductions. [Page 198, Item 11]. Beginning in tax year 2023, prohibit individuals with Wisconsin AGI at or above the following thresholds from claiming the current law deduction for a student to attend an eligible K-12 institution: (a) \$100,000 for single and head-of-household filers; (b) \$150,000 for married-joint filers; and (c) \$75,000 for married-separate filers.	\$6,500,000	\$6,500,000	GPR
Dividends Received Deduction Limitation. [Page 199, Item 13]. Specify that corporations may not use the dividends received deduction in computing a net business loss under the state corporate income/franchise tax. The provision would first apply to taxable years beginning after December 31, 2022.	\$3,200,000	\$3,200,000	GPR

	2023-24	2024-25	Fund Source
Repeal Net Operating Loss (NOL) Carryback. [Page 201, Item 15]. Repeal current law provisions under the individual income tax that allow an NOL to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2023.	\$2,900,000	\$1,500,000	GPR
Sunset Working Families Credit. [Page 203, Item 18]. Sunset the working families credit under the individual income tax, beginning in tax year 2023.	\$125,000	\$125,000	GPR
Achieving a Better Life Experience (ABLE) Account Termination Addback. [Page 203, Item 19]. Stipulate that any amount remaining in a Wisconsin ABLE account upon the account's termination that is returned to the account owner's estate would be added back to taxable income. Current law provides identical treatment for any such amounts that remain in the account of a qualified ABLE program of any other state (at present, no Wisconsin ABLE program exists). The provisions that would authorize the creation of an ABLE program in Wisconsin are set forth under separate sections of the bill.	Minimal	Minimal	GPR
Tax Law Change Interactive Effects. [Page 204, Item 21]. Increase income and franchise tax collections to account for the interactive effects of proposed income and franchise tax changes under the Governor's budget.	\$11,800,000	\$12,200,000	GPR
Sales Tax on the Access to Prewritten Computer Software. [Page 204, Item 1]. Impose the general sales and use tax on the sale of the right to access and use certain prewritten computer software. The provision would take effect on the first day of the sixth month beginning after publication of the bill.	\$18,100,000	\$40,900,000	GPR
Repeal Sales Tax Exemption for Farm-Raised Deer. [Page 208, Item 8]. Repeal the exemption from the general sales and use tax for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state. This provision would take effect on the first day of the third month beginning after publication of the bill.	\$90,000	\$120,000	GPR
Vapor Products Tax. [Page 210, Item 1]. Convert the vapor products tax from a unit-based tax (five cents per milliliter of the liquid) to a price-based tax. Impose the tax at the rate of 71% of the manufacturer's established list price to distributors in this state and expand the definition of vapor products subject to tax to include liquid sold separately from the heating device. The provision would take effect on the first day of the third month beginning after publication of the bill.	\$9,200,000	\$13,200,000	GPR
Impose Cigarette Tax on Little Cigars. [Page 211, Item 2]. Change the tobacco products tax currently imposed on little cigars (71% of the manufacturer's list price up to 50 cents per cigar) to be set at the same rate as the excise tax rate currently imposed on cigarettes (\$2.52 per pack of 20 cigarettes). The provision would take effect on the first day of the third month beginning after publication of the bill.	\$2,300,000	\$3,200,000	GPR
MARIJUANA-RELATED PROVISIONS			
Marijuana Tax and Regulation. [Page 402, Item 5]. Impose an excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana to marijuana processors. The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. The Administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in collections of \$21.9 million and \$22.5 million, respectively, beginning in 2024-25.	\$0	\$44,400,000	SEG

	2023-24	2024-25	Fund Source
WORKFORCE DEVELOPMENT			
Impose FMLA Payroll Tax. [Page 706, Item 2]. Require employers to withhold family and medical leave benefits program contribution amounts from employee wages, effective January 1, 2025. Require the Department of Workforce Development (DWD) to determine the amount of the required contribution by each employee, self-employed individual who elects coverage, and each employer. Specify that the required contribution be based on the employee's wages or the self-employed individual's earnings, and be equally shared between each employee and the employee's employer. Require each employer to withhold from the wages of its employees the amount determined by DWD. Contribution amounts would be deposited into a newly created family and medical leave benefits insurance trust fund for the payment of benefits to covered individuals in the family and medical leave benefits insurance program. The Administration indicates that the fiscal effect of this provision is indeterminate. However, based on the fiscal note to 2021 Assembly Bill 1098, it is estimated that this provision would increase tax revenues to the family and medical leave trust fund by \$95,000,000 in 2024-25, and by \$190,000,000 on an annualized basis.	\$0	\$95,000,000	SEG
SUBTOTAL -- TAXES -- INCREASES	\$775,715,000 \$0	\$742,145,500 \$139,400,000	GPR SEG
TAX DECREASES			
GENERAL FUND TAXES			
Family and Individual Reinvestment Credit. [Page 190, Item 1]. Create a nonrefundable credit, beginning in tax year 2023, equal to the greater of \$100 (\$50 for married-separate filers) or 10% of adjusted net tax liability. Specify that the credit would proportionally be reduced and phase-out for claimants with Wisconsin AGI between: (a) \$100,000 and \$120,000 for single and head-of-household filers; (b) \$150,000 and \$175,000 for married-joint filers; and (c) \$75,000 and \$87,500 for married-separate filers.	-\$418,789,500	-\$421,028,700	GPR
Family Caregiver Credit. [Page 194, Item 6]. Beginning in tax year 2023, create a nonrefundable individual income tax credit equal to 50% of the qualified expenses incurred by an individual to benefit a qualified family member. Specify that the maximum credit that may be claimed in each tax year with regard to a particular qualified family member is \$500 (\$250 for married-separate filers). Specify that the credit would proportionally be reduced and phase-out for claimants with federal AGI between: (a) \$75,000 and \$85,000; and (b) \$150,000 and \$170,000 for married-joint filers.	-\$96,747,700	-\$98,349,000	GPR
Expand Child and Dependent Care Credit. [Page 196, Item 7]. Beginning in tax year 2023, increase the nonrefundable credit for child and dependent care expenses from 50% to 100% of the corresponding federal credit claimed in the same tax year.	-\$27,280,800	-\$27,829,900	GPR
Pre-Tax Contributions for Family Medical Leave Benefits. [Page 196, Item 8]. Provide an income and franchise tax subtraction for payroll taxes paid under the family medical leave program (which would be created under the bill). Estimate reduced income and franchise tax revenues of \$20.5 million in 2024-25 and \$40.9 million in 2025-26.	\$0	-\$20,450,000	GPR

	2023-24	2024-25	Fund Source
Expand Retirement Income Exclusion. [Page 196, Item 9]. Increase the annual limit on the exclusion for certain retirement income received by persons age 65 or older to \$5,500, beginning in tax year 2023. In addition, increase the federal AGI level at which the exclusion is eliminated to: (a) \$30,000 for single and head-of-household filers; and (b) \$60,000 for married filers.	-\$8,100,000	-\$8,100,000	GPR
Universal Changing Stations Credit. [Page 197, Item 10]. Create a nonrefundable income and franchise tax credit, beginning in tax year 2023, equal to 50% of the amount the claimant paid during the taxable year to install a universal changing station. No claimant could claim of credit of more than \$5,125 in a taxable year. Further, the credit is limited to small businesses (fewer than 30 employees and less than \$1 million of gross receipts in the preceding taxable year).	-\$5,300,000	-\$10,600,000	GPR
Low-Income Housing Tax Credit. [Page 198, Item 12]. Extend the period that the state housing tax credit may be claimed from six years to 10 years, and increase from \$42 million to \$100 million the total amount of credits the Wisconsin Housing and Economic Development Authority may certify to be claimed annually. The credit is allocated to multifamily housing developments with below-market rents and that reserve minimum percentages of units for households at or below certain income levels. The provision would reduce state tax revenues by an estimated \$1,450,000 in 2023-24, \$7,250,000 in 2024-25, \$13,050,000 in 2025-26, and \$18,850,000 in 2026-27, fully phasing in to a decrease of \$58 million in 2033-34. The bill as introduced does not specify the initial applicability of changes to the credit.	-\$1,450,000	-\$7,250,000	GPR
First-Time Homebuyer Savings Accounts. [Page 199, Item 14]. Create a program, administered by the Department of Revenue (DOR), allowing an individual to become an account holder by creating an account, either individually or jointly with his or her spouse, to pay or reimburse the eligible costs of a first-time homebuyer. Allow a subtraction for each account holder for up to \$5,000 of deposits per year, or \$10,000 if the account holder is a married-joint filer, for each account that the account holder creates for not more than a total of \$50,000 of deposits into any account for each beneficiary. Allow a subtraction for any interest, dividends, or other gains redeposited into the account without limit. Specify that the account must be dissolved no later than ten years after its creation. This provision would reduce estimated individual income tax collections by a minimal amount in 2023-24, \$4.8 million in 2024-25, \$6.6 million in 2025-26, and \$7.5 million in 2026-27 and annually thereafter.	Minimal	-\$4,800,000	GPR
Flood Insurance Premiums Credit. [Page 202, Item 16]. Create a nonrefundable individual income tax credit, beginning in tax year 2023, equal to the lesser of 10% of the amount of premiums paid during the tax year for flood insurance or \$60.	-\$400,000	-\$400,000	GPR
Expand Disability Income Exclusion. [Page 202, Item 17]. Increase the annual limit on the exclusion for certain disability income received by persons under age 65 to \$5,500, beginning in tax year 2023, and make the exclusion available to otherwise eligible married-separate filers. Increase the federal AGI level at which the exclusion is eliminated to: (a) \$30,000 for single and head-of-household filers; (b) \$60,000 for married-joint filers; and (c) \$60,000 of total combined income for married-separate filers.	-\$260,000	-\$260,000	GPR
Sales Tax Exemption for Diapers and Feminine Hygiene Products. [Page 205, Item 2]. Provide an exemption from the general sales and use tax for sales of diapers and feminine hygiene products. The provision would take effect on the first day of the third month beginning after publication of the bill.	-\$13,700,000	-\$19,100,000	GPR

	2023-24	2024-25	Fund Source
Sales Tax on Marijuana. [Page 205, Item 3]. Provide an exemption from the general sales and use tax for sales of medical marijuana, if the purchaser holds a valid tax exemption certificate that indicates they are a member of the medical marijuana registry.	Minimal	Minimal	GPR
Sales Tax Exemption for Energy Systems. [Page 206, Item 4]. Expand the current law exemption from the state sales and use tax to include tangible personal property used to store or facilitate the storage of electrical or heat energy produced by a solar, wind, or biogas renewable energy system. The provision would take effect on the first day of the third month beginning after publication of the bill.	-\$1,700,000	-\$2,500,000	GPR
Sales Tax Exemption for Breastfeeding Equipment. [Page 207, Item 5]. Provide an exemption from the general sales and use tax for breast pumps, breast pump kits, and breast pump storage and collection supplies. This provision would take effect on the first day of the third month beginning after publication of the bill.	-\$510,000	-\$680,000	GPR
Sales Tax Exemption for Certain Planning and Counseling Services. [Page 207, Item 6]. Provide a sales and use tax exemption for landscape planning and counseling services that pertain to the restoration, reclamation, or revitalization of prairie, savanna, or wetlands, if such services are provided under a separate and optional fee distinct and identifiable from other taxable services. The provision would take effect on the first day of the third month following publication of the bill.	-\$400,000	-\$600,000	GPR
Sales Tax Exemption for Gun Safes, Trigger Locks, and Gun Barrel Locks. [Page 208, Item 7]. Provide an exemption from the general sales and use tax for sales of gun safes, trigger locks, and gun barrel locks. This provision would take effect on the first day of the third month beginning after publication of the bill.	-\$230,000	-\$310,000	GPR
Sales Tax Exemption for Local Professional Baseball Park Districts. [Page 209, Item 9 and Page 475, Item 3]. Provide an exemption from the general sales and use tax for sales to a local professional baseball park district established under state law (which would be modified and expanded under separate provisions of the bill).	Minimal	Minimal	GPR
Sales Tax Exemption for Improvements to Baseball Park Districts and Developments. [Page 209, Item 10 and Page 475, Item 4]. Provide an exemption from the general sales and use tax for sales of building materials used to construct, develop, improve, renovate, repair, or maintain property that constitutes a baseball park development, as created and defined under separate provisions of the bill. Expand the current law exemption from the sales and use tax to include sales of building materials used to improve, repair, or maintain a home stadium for any professional athletic team participating in a multistate league that is exempt from property taxation (including baseball park development property).	Minimal	Minimal	GPR
Sales Tax Exemption for Transit Authorities. [Page 209, Item 11]. Provide an exemption from the general sales and use tax for sales to any transit authority that would be created under separate provisions of the bill.	Minimal	Minimal	GPR
Real Estate Transfer Fee Exemption for Related Entities. [Page 212, Item 4]. Expand the current law exemption from the real estate transfer fee for certain conveyances between family-owned business entities and their respective owners to include conveyances between: (a) uncles and their nieces and nephews; (b) aunts and their nieces and nephews; and (c) first cousins. The provision would first apply to real estate transfer fee returns filed on the effective date of the bill.	Unknown	Unknown	GPR

	2023-24	2024-25	Fund Source
Expand Earned Income Credit. [Page 215, Item 2]. Specify that the percentage of the federal earned income tax credit that may be claimed as a state credit would be increased to 16% for claimants with one qualifying child (currently 4%) and to 25% for claimants with two qualifying children (currently 11%), beginning in tax year 2023.	-\$18,280,000 -\$42,420,000	-\$19,140,000 -\$44,660,000	GPR TANF
Homestead Credit Expansion. [Page 215, Item 4]. Increase the income threshold above which no credit is allowed (maximum income level) to \$35,000, and reduce the rate at which the credit phases out (phase-out rate) to 5.614%, beginning in tax year 2023. According to the Administration, the intent of this provision is to, beginning in tax year 2023, index for inflation: (a) the maximum allowable property taxes or rent constituting property taxes; and (b) the income threshold for the maximum credit. Annually thereafter, these parameters, as well as the proposed maximum income level of \$35,000 for tax year 2023, would be indexed for inflation.	-\$43,200,000	-\$56,200,000	GPR
Increase Refundable Portion of Research Credit. [Page 217, Item 6]. Modify the partially refundable research tax credit (including the engine and energy efficiency credits), as computed under current law, to increase the refundable portion from up to 15% of the credit amount to up to 50% of the credit amount. This provision would first apply to new research credit claims for taxable years beginning after December 31, 2023.	-\$16,100,000	-\$64,400,000	GPR
Enterprise Zone Limit. [Page 217, Item 8]. Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369. The bill would allow WEDC to designate up to 30 zones without approval of the Joint Committee on Finance. Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Committee under a 14-day passive review process.	Unknown	Unknown	GPR
Veterans Property Tax Credit for 70% Disability Rating. [Page 218, Item 10]. Extend eligibility for the current law veterans and surviving spouses property tax credit to otherwise eligible veterans with a service-connected disability rating of at least 70%, and to the unremarried surviving spouses of such veterans, beginning in tax year 2023. Stipulate that the credit amount for veterans with a service-connected disability rating of less than 100% is calculated by multiplying the disability rating by the amount of property taxes the claimant could otherwise claim.	-\$21,100,000	-\$22,100,000	GPR
Veterans Property Tax Credit for Renters. [Page 219, Item 11]. Expand the veterans and surviving spouses property tax credit by providing the credit to eligible renters, beginning in tax year 2023. An eligible claimant could claim the credit for 100% of their rent constituting property taxes. For married-separate filers, each spouse could claim the rent credit based on 50% of the total rent constituting property taxes paid during the taxable year for the eligible veteran's principal dwelling.	-\$5,100,000	-\$5,200,000	GPR
Business Development Job Training Credit. [Page 220, Item 14]. Delete the eligible activities for what the job training would have to include for a business to be certified by WEDC to receive tax credits for up to 50% of eligible training costs and replace them with the following activities: (a) upgrading or improving the job-related skills of an eligible employee; (b) training an eligible employee on the use of job-related new technologies; or (c) providing job-related training to an eligible employee whose employment with the person represents the employee's first full-time job.	Unknown	Unknown	GPR

	2023-24	2024-25	Fund Source
Business Development Corporate Headquarters Credit. [Page 220, Item 15]. For taxable years beginning after December 31, 2022, remove the requirement that, for employee wages eligible to earn the corporate headquarters credit under the business development tax credit, the job duties associated with an eligible employee's position must involve the performance of corporate headquarters functions.	Unknown	Unknown	GPR
Business Development Credit for Renewable Energy. [Page 220, Item 16]. Create a new tax credit under the refundable business development tax credit program, administered by WEDC, for taxable years beginning after December 31, 2023, equal to up to 25% of the claimant's energy efficiency or renewable energy project expenditures on real or personal property located in Wisconsin. The credit would first apply to awards made on and after January 1, 2024.	Unknown	Unknown	GPR
Wage Threshold for Enterprise Zone and Business Development Credits. [Page 221, Item 17]. Increase the required wage thresholds under both the enterprise zone and business development tax credit programs from \$22,620 for Tier I and \$30,000 for Tier II counties and municipalities to \$32,000 and \$42,390, respectively, for both the job creation and job retention credits. Increase the maximum wage threshold such that the zone payroll for both tax credit programs would include wages paid to any full-time employee up to \$141,300 as creditable wages (rather than \$100,000). Beginning on January 1, 2025, the wage thresholds and limits would be adjusted for inflation each year.	Unknown	Unknown	GPR
Marijuana Tax Refunds. [Page 224, Item 22]. Allow DOR to enter into an agreement with federally-recognized American Indian tribes in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by, or to, enrolled members of the tribe residing on the tribal land.	\$0	-\$2,200,000	GPR
SUBTOTAL -- TAXES -- DECREASES	-\$678,648,000 -\$42,420,000	-\$791,497,600 -\$44,660,000	GPR TANF
FEE INCREASES			
AGRICULTURE, TRADE AND CONSUMER PROTECTION			
Marijuana Regulation. [Page 71, Item 7]. Create a permit for producing or processing marijuana. Establish an annual fee of \$2,000 for processors. Establish an annual permit fee of \$1,800 for producers of up to 1,800 plants, \$2,900 for producers of up to 3,600 plants, \$3,600 for producers of up to 6,000 plants, \$5,100 for producers of up to 10,200 plants, and \$7,100 plus \$800 for every 3,600 plants more than 10,200. Additionally, require a \$250 fee for all permit applications. No specific estimate is provided for revenues generated from producer and processor permits. The bill budgets \$467,500 PR in expenditure authority over the biennium associated with fees from marijuana permitting.	\$208,900	\$258,600	PR
INSURANCE			
Generic Prescription Drug Importation Program. [Page 333, Item 3]. Require the Insurance Commissioner to design and implement a prescription drug importation program. Specify that the program must establish a fee or other mechanism to finance the program that does not jeopardize significant savings to Wisconsin residents.	Unknown	Unknown	PR

	2023-24	2024-25	Fund Source
Licensure of Pharmaceutical Representatives. [Page 342, Item 9]. Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may act as a pharmaceutical representative in Wisconsin without a license issued by the Office of the Commissioner of Insurance (OCI). Authorize OCI to promulgate rules to establish the license fee.	\$0	Unknown	PR
Licensure of Pharmacy Benefit Management Brokers and Consultants. [Page 343, Item 10]. Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may serve as a pharmacy benefit management broker or consultant or as any other individual who procures the services of a pharmacy benefit manager on behalf of a client without a license. Authorize OCI to promulgate rules to establish the licensing fees.	\$0	Unknown	PR
Licensure of Pharmacy Services Administrative Organizations. [Page 343, Item 11]. Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no person may operate as a pharmacy services administrative organization in Wisconsin without a license issued by OCI. Authorize OCI to promulgate rules to establish the license fee.	\$0	Unknown	PR
State-Based Health Insurance Exchange. [Page 345, Item 1]. Provide \$982,400 GPR in 2023-24 and \$4,264,900 (\$1,264,900 GPR and \$3,000,000 PR) in 2024-25, and 10.0 GPR positions, beginning in 2023-24, to develop and implement a state-based health insurance exchange. Require OCI to impose a user fee on each insurer that offers a health plan through the state-based exchange.	Unknown	Unknown	PR
NATURAL RESOURCES			
Inland Waters Trout Stamp. [Page 446, Item 1]. Increase the price of the inland waters trout stamp from \$10 to \$15, effective April 1, 2024. The inland waters trout stamp is required of anyone fishing for trout in inland waters. Revenues raised by the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters.	Minimal	\$795,000	SEG
Nonresident Deer Hunting License. [Page 448, Item 4]. Raise the fee for nonresident deer hunting license from \$160 to \$185. Deer hunting licenses are deposited in the balance of the fish and wildlife account and fund general account expenditures, such as wildlife program operations and county conservation aids.	Minimal	\$643,800	SEG
Well Construction Notification Fee. [Page 463, Item 2]. Increase the well construction notification fee to \$70 from \$50 for any new private well that is not a high-capacity well. Revenues from well notification and other groundwater withdrawal fees are deposited to appropriations for groundwater administration, research and management.	\$160,000	\$160,000	PR
Well Construction Variances Application Fee. [Page 463, Item 3]. Require the Department of Natural Resources (DNR) to collect a \$100 fee from a person who is requesting a variance to well construction requirements under Chapter NR 812 of the administrative code. Revenues would be deposited to appropriations for groundwater administration, research and management.	\$25,000	\$25,000	PR

	2023-24	2024-25	Fund Source
Ballast Water and Commercial Vessel Fees. [Page 463, Item 4]. Require owners or operators of commercial vessels subject to the federal Vessel Incidental Discharge Act to pay \$650 per arrival to ports in Wisconsin, not exceeding \$3,250 per calendar year. Repeal the current ballast water discharge permit application fee of \$1,200 and annual permit fee of \$345.	\$200,000	\$200,000	PR
Dam Licensing Fees. [Page 466, Item 13]. Require that licensing permit and approval fees for large dams be based on hazard classification rather than estimated time of approval. Fees would be set as follows: (a) \$1,000 for a high-hazard dam; (b) \$500 for a significant-hazard dam; and (c) \$200 for a low-hazard dam. The change would take effect on the first day of the ninth month beginning after the bill's publication. There are currently 141 high-hazard, 67 significant-hazard, and 603 low-hazard large dams in Wisconsin. The proposal would increase generated revenue by an estimated \$272,000 annually.	\$68,000	\$272,000	PR
Concentrated Animal Feeding Operations Fees. [Page 469, Item 9]. Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate concentrated animal feeding operations (CAFOs) from \$345 to \$545 annually. As of February, 2023, there are 336 permitted CAFOs in Wisconsin, increasing by an estimated six each year. It is estimated the proposal would increase CAFO fee revenue by approximately \$69,000 annually, for a total of \$376,000 in fees over the biennium.	\$69,000	\$69,000	PR
PUBLIC INSTRUCTION			
Public Library System Aid. [Page 513, Item 20]. Provide \$7,000,000 annually above base level funding of \$20,013,100 for public library system aid. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.	\$7,000,000	\$7,000,000	SEG
Recollection Wisconsin. [Page 513, Item 21]. Provide \$150,000 in 2023-24 and \$300,000 in 2024-25 for Recollection Wisconsin, and require the State Superintendent to annually distribute the funding to Wisconsin Library Services, Inc. (WiLS) to support the digitization of historic materials in public libraries throughout the state. Create an annual, sum certain SEG appropriation for this purpose. The segregated revenue would be provided from the universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. Recollection Wisconsin is a consortium administered by WiLS, a nonprofit organization of Wisconsin libraries and other organizations, with the Wisconsin Historical Society, UW-Milwaukee, UW-Madison, the Milwaukee Public Library, Marquette University, and DPI also serving as governing partners. Its purpose is to collect digital historical resources from Wisconsin libraries, archives, museums, and historical societies, and make them publicly available.	\$150,000	\$300,000	SEG

	2023-24	2024-25	Fund Source
<p>BadgerLink and Newsline for the Blind. [Page 513, Item 22]. Provide \$104,000 in 2023-24 and \$203,000 in 2024-25 above base level funding of \$3,283,300 to maintain the current level of services provided through BadgerLink and Newsline for the Blind.</p> <p>BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newsline for the Blind provides access to newspapers on a daily basis for people who cannot read print newspapers via an automated electronic voice that can be accessed using a telephone. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.</p>	\$104,000	\$203,000	SEG
<p>Library Service Contracts. [Page 514, Item 23]. Provide \$29,800 beginning in 2024-25 above base level funding of \$1,367,700 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information. The Department of Public Instruction (DPI) contracts with four service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; and (d) the Cooperative Children's Book Center. DPI indicated that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW-Madison library. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.</p>	\$0	\$29,800	SEG
REVENUE			
<p>Marijuana Permit Fees. [Page 544, Item 7]. Create a program within DOR for the regulation and taxation of marijuana producers, processors, distributors, and retailers, and require that these persons apply for and obtain the proper permit from DOR prior to performing such operations. Establish initial application and recurring annual permit fees of \$250 and \$2,000, respectively. Fees would be paid to DOR and deposited directly into the general fund. The Administration estimates that DOR would issue 300 initial permits in 2021-22 and an additional 60 new permits in 2023-24 and 2024-25.</p>	\$675,000	\$735,000	GPR
SAFETY AND PROFESSIONAL SERVICES			
<p>Regulation and Licensure of Advanced Practice Registered Nurses. [Page 558, Item 10]. Authorize individuals to obtain advanced practice registered nursing (APRN) licenses in Wisconsin if they meet certain requirements and pay a biennial license fee. Credential fees for health care professionals regulated by the Department of Safety and Professional Services (DSPS) are not specified in statute, but rather established biennially under a Joint Committee on Finance passive review process.</p>	Minimal	Minimal	PR
<p>Regulation and Licensure of Dental Therapists. [Page 560, Item 11]. Authorize individuals to practice dental therapy in Wisconsin if they meet certain requirements and pay a biennial license fee. Credential fees for health care professionals regulated by DSPS are not specified in statute, but rather established biennially under a Joint Committee on Finance passive review process.</p>	Minimal	Minimal	PR

	2023-24	2024-25	Fund Source
TRANSPORTATION			
Identification Sticker for Electric and Hybrid-Electric Vehicles. [Page 651, Item 6]. Require the Department of Transportation to issue a decal for each electric and hybrid-electric vehicle in the state, which identifies the vehicle as electric. The decal must be displayed on the front and rear registration plates of the vehicle. Establish a one-time registration fee of \$1 for issuance of the decals.	\$11,000	\$8,000	SEG
SUBTOTAL -- FEES -- INCREASES	\$675,000 \$730,900 \$7,265,000	\$735,000 \$984,600 \$8,979,600	GPR PR SEG
FEE DECREASES			
ADMINISTRATION			
Technology for Educational Achievement Program. [Page 41, Item 3]. Reduce funding for the Technology for Educational Achievement (TEACH) program from the state segregated universal service fund (USF) by \$5,254,000 SEG in 2023-24 and \$5,532,800 SEG in 2024-25. Provide \$1,553,100 GPR in 2023-24 and \$1,831,900 GPR in 2024-25 to make payments to telecommunications providers under the TEACH program. If GPR and SEG funds are insufficient for the program, federal e-rate reimbursement monies may be utilized, to the extent revenue is available. Base funding for the TEACH program is \$15,984,200 SEG. Funding is provided from the USF, 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.	-\$5,254,000	-\$5,532,800	SEG
Diversity Goals for State Procurement and Certain Special Districts. [Page 46, Item 1]. Repeal statutory provisions allowing the Department of Administration (DOA) to charge a fee to a business that applies for certification under the supplier diversity program. Under current law, the program provides preferences in state agency contracting for certified disabled veteran-owned and minority businesses, the program provides certification for woman-owned businesses, and DOA may charge a fee for certification.	-\$44,800	-\$44,800	PR
CIRCUIT COURTS			
Modification of Certificates of Qualification for Employment. [Page 126, Item 6]. Eliminate the circuit courts' certificates of qualification for employment (CQE) appropriation and the associated \$20 application fee. Transfer any unencumbered balance to the circuit courts sale of materials and services appropriation. At the time the Governor's budget recommendations were published, the CQE appropriation had generated \$40 in total revenue.	Minimal	Minimal	PR

	2023-24	2024-25	Fund Source
NATURAL RESOURCES			
Free Fourth-Grade Admission to State Parks. [Page 440, Item 8]. Authorize the issuance of a waiver of the annual state resident park and forest vehicle admission fee (typically \$28) for the parent or guardian of a Wisconsin fourth-grade student, beginning January 1, 2024. A parent or guardian of a fourth-grade student in a Wisconsin public, private, or home school could apply to DNR for a waiver for a single vehicle, except a motor bus. The bill would create a sum-sufficient GPR appropriation equal to the value of waivers issued in a given fiscal year to be used for parks operations.	-\$243,600	-\$243,600	SEG
SUBTOTAL -- FEES -- DECREASES	-\$44,800 -\$5,497,600	-\$44,800 -\$5,776,400	PR SEG
ENHANCED COLLECTION MEASURES			
GENERAL FUND TAXES			
Sales Tax on Marijuana. [Page 205, Item 3]. Under current law, sales of marijuana are subject to the sales tax as tangible personal property. However, taxes generally are not collected and remitted on such sales, as marijuana is an illegal substance. The bill would legalize the sale of marijuana for medical and recreational purposes. As a result, sales tax would be collected by retailers on legal recreational marijuana sales. Retail excise taxes imposed on marijuana would be included in the sales price subject to the state sales and use tax.	Minimal	\$10,200,000	GPR
Define Manufacturer's List Price. [Page 212, Item 3]. Define manufacturer's list price as the total price of tobacco products charged by the manufacturer or other seller to an unrelated distributor, including all charges necessary to complete the sale that could not be reduced by any cost or expense incurred by the manufacturer or seller. State law does not specifically define manufacturer's list price for purposes of the tobacco products tax. This provision is intended to take effect on the first day of the third month beginning after publication of the bill.	Minimal	Minimal	GPR
REVENUE			
Delinquent Tax Collection Agents. [Page 542, Item 1]. Provide \$677,300 in 2023-24 and \$827,500 in 2024-25 and 11.0 positions annually to enhance delinquent tax collection efforts. It is estimated that this provision would increase general fund tax collections by \$4.0 million in 2023-24 and \$16.1 million in 2024-25 and annually thereafter.	\$3,322,700	\$15,272,500	GPR
Convert Revenue Agent Project Positions to Permanent Positions. [Page 543, Item 2]. Convert 38.0 GPR project positions to permanent positions and maintain current funding of \$2,859,600 annually. The Administration indicates that, relative to allowing these project positions to expire, extending the positions would result in the continued collection of an estimated \$39.9 million in unpaid delinquent taxes and a net increase to the general fund of \$36.4 million annually, beginning in 2025-26.	See Text	See Text	GPR

	2023-24	2024-25	Fund Source
Advanced Technology System Project. [Page 543, Item 3]. Provide \$1.35 million GPR and \$1.35 million PR in 2023-24 and \$0.6 million GPR and \$0.6 million PR in 2024-25 for supplies and services to implement an advanced technology system in DOR's Compliance Bureau. The Administration indicates that this system would utilize data analytics to enhance collections of both delinquent taxes and debts owed to local governments and state agencies by \$10.8 million annually (70% delinquent taxes, 30% debts owed) once the program is fully operational. This provision is estimated to reduce the year-end transfer to the general fund by \$1.35 million GPR-REV in 2023-24 and \$0.6 million GPR-REV in 2024-25, offset by \$7.6 million of enhanced delinquent tax collections annually, beginning in 2024-25.	-\$2,700,000	\$6,400,000	GPR
Statewide Debt Collection (SDC) Positions. [Page 544, Item 4]. Provide \$423,500 PR in 2023-24 and \$516,600 PR in 2024-25 and 7.0 PR positions annually to DOR to increase efforts to collect debts owed to state agencies and local governments under the SDC program. DOR indicates that the authorization of these positions would increase the collection and remittance of debts owed by an estimated \$11.9 million annually and, in addition, would result in the following changes to state revenues: (a) an increase of \$516,800 PR-REV in 2023-24 and \$2,056,600 PR-REV in 2024-25 from additional fees collected by DOR; and (b) an increase in the year-end transfer to the general fund of \$93,300 GPR-REV in 2023-24 and \$1,540,000 GPR-REV in 2024-25.	\$93,300	\$1,540,000	GPR
SUBTOTAL -- ENHANCED COLLECTION MEASURES	\$716,000	\$33,412,500	GPR