ADMINISTRATIVE RULES
FISCAL ESTIMATE
AND ECONOMIC IMPACT ANALYSIS

Type of Estimate and Analysis

☒ Original ☐ Updated ☐ Corrected

Administrative Rule Chapter, Title and Number

Chapter Tax 2 – Income taxation, returns, records and gross income

Subject

Apportionment of apportionable income of interstate air freight forwarders affiliated with a direct air carrier

Fund Sources Affected	Chapter 20 , Stats. Appropriations Affected
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG SEG-S	

Fiscal Effect of Implementing the Rule

☒ No Fiscal Effect ☐ Indeterminate	☐ Increase Existing Revenues ☐ Decrease Existing Revenues	☐ Increase Costs ☐ Could Absorb Within Agency's Budget ☐ Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

☐ State's Economy ☐ Local Government Units	☐ Specific Businesses/Sectors ☐ Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than $20 million?

☐ Yes ☒ No

Policy Problem Addressed by the Rule

The rule does not create or revise policy, other than to reflect current law and department policy.

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 Expected to be Incurred)

As indicated in the attached fiscal estimate, the proposed rule clarifies the tax treatment of air freight forwarders and provides certainty for taxpayers and the department. The proposed rule is not expected to have a significant fiscal effect.

No comments concerning the economic effect of the rule were submitted in response to the department's solicitation.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Clarifications and guidance provided by administrative rules may lower the compliance costs for businesses, local governmental units, and individuals.

If the rule is not implemented, Chapter Tax 2 will be incomplete in that it will not reflect current law or department policy.

Long Range Implications of Implementing the Rule

No long-range implications are anticipated.

Compare With Approaches Being Used by Federal Government

N/A

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

N/A

FISCAL ESTIMATE FORM

2013 Session

☒ ORIGINAL ☐ UPDATED

☐ CORRECTED ☐ SUPPLEMENTAL

LRB # 11-

INTRODUCTION #

Admin. Rule # Tax 2.465

Subject

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	Affected Ch. 20 Appropriations
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S	

Assumptions Used in Arriving at Fiscal Estimate:

The proposed rule creates Section Tax 2.465, which prescribes the method of apportionment to be used by air freight forwarders that are affiliated with a direct air carrier. The proposed rule also amends certain other rule sections, where appropriate, to incorporate references to the newly created section. The proposed rule would be effective for taxable years beginning on or after January 1, 2014.

The proposed rule clarifies the tax treatment of air freight forwarders and provides certainty for taxpayers and the Department. The proposed rule is not expected to have a significant fiscal effect.

Long-Range Fiscal Implications:

Agency/Prepared by:	Authorized Signature	Date
Wisconsin Department of Revenue Michael Oakleaf (608)261-5173	**Wisconsin Department of Revenue** John Koskinen (608)267-8973	July 16, 2013