ADMINISTRATIVE RULES FIS CAL ESTIMATE				
AND ECONOMIC IMPACT ANALYSIS				
Type of Estimate and Analysis				
☐ Original ☐ Updated ☐ Corrected				
Administrative Rule Chapter, Title and Number				
Chapter Tax 11 – Sales and use tax				
Subject				
Sales and use tax provisions				
Fund Sources Affected Chapter 20, Stats. Appropriations Affected				
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG SEG-S				
Fiscal Effect of Implementing the Rule				
☑ No Fiscal Effect ☐ Increase Existing Revenues ☐ Increase Costs				
☐ Indeterminate ☐ Decrease Existing Revenues ☐ Could Absorb Within Agency's Budget ☐ Decrease Costs				
The Rule Will Impact the Following (Check All That Apply)				
State's Economy  Specific Businesses/Sectors				
□ Local Government Units □ 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 is intended to reflect law changes and clarify the tax treatment of certain items. Since the fiscal impact of the statutory changes has already been reflected, the proposed rule has no 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 11 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 2011 Session LRB# **INTRODUCTION#** ☑ ORIGINAL □ UPDATED □ CORRECTED ☐ SUPPLEMENTAL Admin rule # Tax 11: 2013-15 Budget Subject Proposed order of the Department of Revenue related to sales tax Fiscal Effect State: No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a Increase Costs - May be Possible to Absorb sum sufficient appropriation Within Agency's Budget ☐ Yes ☐ No Increase Existing Appropriation Increase Existing Revenues Decrease Existing Appropriation Decrease Existing Revenues □ Decrease Costs Create New Appropriation Local: No Local Government Costs ☐ Increase Costs ☐ Increase Revenues 5. Types of Local Governmental Units Affected: ☐ Towns ☐ Villages ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Cities □ Decrease Revenues ☐ Counties ☐ Decrease Costs Others ☐ Permissive ☐ Mandatory □ Permissive □ Mandatory ☐ 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 updates Chapter TAX 11 of the Administrative Code, pertaining to the sales and use tax, to reflect certain sales tax changes contained in 2013 Wisconsin Act 20, the 2013-15 Budget Bill.

The proposed rule modifies the administrative code to reflect law changes and clarify the tax treatment of certain items.

The proposed rule includes:

- A sales and use tax exemption for certain property sold by a contractor as part of a lump sum contract.
- Repeal of the sales tax imposition on receipts from self-service laundry machines that are operated by tokens and magnetic cards.
- A sales and use tax exemption for services resulting in advertising and promotional direct mail.
- A sales and use tax exemption for certain products used by commercial printers.
- Updates and clarifications to reflect changes to sales and use tax statutes.
- Dissolution of the Health Insurance Risk-Sharing Plan and Authority.

The fiscal effect of the exemptions created under 2013 Wisconsin Act 20 has already been reflected under general fund condition statements subsequent to 2013 Wisconsin Act 20. Since the fiscal impact of the statutory changes has already been reflected, the proposed rule has no fiscal effect.

FISCAL	<b>ESTIMAT</b>	E WORK	<b>SHEET</b>
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□ UPDATED

☑ ORIGINAL

□ CORRECTED □ SUPPLEMENTAL	Tax 11 2013-16 Budget			
Subject Proposed order of the Department of Revenue related to sales tax				
l. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fis cal 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)	( )	-		
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

NET CHANGE IN COSTS

\$0

NET CHANGE IN REV ENUES

Agency/Prepared by
Wisconsin Department of Revenue
Bob Schmidt

608 266-5773

LOCAL

\$0

\$0

Authorized Signature/Telephone No.
Wisconsin Department of Revenue
Bob Schmidt

11/27/2013