

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date October 6, 2021
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3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)

Chapter Tax 1, 2, 3, 4, 7, 8, 9, and 14 – 2019 Biennial Review

4. Subject

The proposed rule creates, amends, and repeals various administrative rules related to income, franchise, and excise taxes as identified in a report submitted by the Joint Committee for Review of Administrative Rules (JCRAR) on March 26, 2019. The proposed rule implements certain statutory changes and also repeals certain outdated rule provisions as identified in the JCRAR report.

5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
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7. Fiscal Effect of Implementing the Rule

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs	<input type="checkbox"/>
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	Decrease Costs	
		<input type="checkbox"/> Could Absorb Within Agency's Budget	

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

<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors
<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers
<input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b>	

9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).

\$ 0

10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?

Yes     No

11. Policy Problem Addressed by the Rule

The department has created this proposed rule order to reflect various statutory and technical changes as identified in a report submitted to the JCRAR on March 26, 2019. The proposed rule order makes no policy or other changes.

12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.

A comment period was identified for economic impact and the public was notified. The comment period lasted from September 16, 2021, through September 30, 2021. No specific businesses were contacted.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

No local government units participated in the development of this EIA.

14. 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)

No impact is anticipated.

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

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

New rules are being proposed to reflect various law and technical changes. If the rules are not changed, they will be incorrect in that they will not reflect current law or current department policy.

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16. Long Range Implications of Implementing the Rule

No long range implications are anticipated.

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17. Compare With Approaches Being Used by Federal Government

There are no similar approaches being used by Federal Government.

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

There are no similar approaches being used by neighboring states.

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19. Contact Name

Jen Olson

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20. Contact Phone Number

608-266-8253

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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**FISCAL ESTIMATE FORM**

**2019 Session**

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

<b>LRB #</b> 19-
<b>INTRODUCTION #</b>
<b>Admin. Rule #</b>

**Subject**  
 Various changes to Ch. Tax 1, 2, 3, 4, 7, 8, 9, and 14

**Fiscal Effect**  
**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

**Local:**  No Local Government Costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>Affected Ch. 20 Appropriations</b>
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**Assumptions Used in Arriving at Fiscal Estimate:**

The proposed rule creates, amends, and repeals various administrative rules related to income, franchise, and excise taxes as identified in a report submitted by the Joint Committee for Review of Administrative Rules (JCRAR) on March 26, 2019. The proposed rule implements certain statutory changes and also repeals certain outdated rule provisions as identified in the JCRAR report.

Any fiscal effect from the statutory changes implemented in the proposed rule would have been included in the fiscal estimate for the bill which was enacted. As such, there is no fiscal effect from the implementation of the statutes under the rule. In addition, there is no fiscal effect from the repeal of the outdated provisions in the proposed rule.

(continued on page two)

**Long-Range Fiscal Implications:**

None

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Michael Oakleaf (608) 261-5173	<b>Authorized Signature/Telephone No.</b> Robert Schmidt  (608) 266-5773	<b>Date</b> April 8, 2020
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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**2019 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # 19**  
**INTRODUCTION**

Admin. Rule #

**Subject**

Various changes to Ch. Tax 1, 2, 3, 4, 7, 8, 9, and 14

**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal 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)	( FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$ -</b>
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		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ _____

Agency/Prepared by:	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Michael Oakleaf (608)261-5173	Robert Schmidt  (608)266-5773	April 8, 2020