

CR 93-161

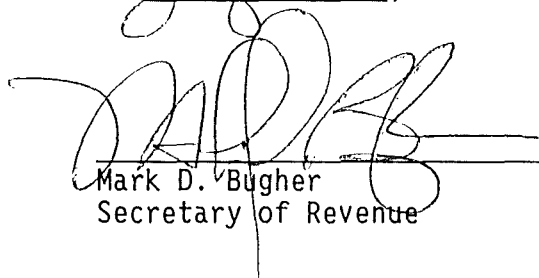
CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF REVENUE)

I, Mark D. Bugher, Secretary of the Department of Revenue and custodian of the official records certify that the annexed rule, relating to cigarette tax credit, was duly approved and adopted by this department on January 4, 1994.

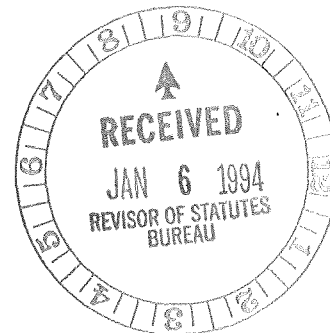
I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 South Webster Street in the city of Madison, this 4th day of January, 1994.



Mark D. Bugher
Secretary of Revenue

MDB:MPW:c11
CKLEG/1458



3-1-94

ORDER OF THE DEPARTMENT OF REVENUE
REPEALING AND RECREATING RULES

The Wisconsin Department of Revenue adopts an order to repeal and recreate Tax 9.67, relating to the purchase of cigarette tax stamps on credit.

Analysis by the Department

Statutory authority: s. 139.39(1), Stats.

Statutes interpreted: s. 139.32(6), Stats.

SECTION 1. Tax 9.67, relating to the purchase of cigarette tax stamps on credit, is repealed and recreated to: 1) reflect the change in the definition of "stamp" as a result of 1993 Wisconsin Act 16; 2) reflect the repeal of the requirement that the secretary prescribe rules describing security requirements, as a result of 1993 Wisconsin Act 16; 3) reflect a change in the required payment date for credit extended by the department, in accordance with terms agreed upon by both the department and the cigarette industry; and 4) update language and style in conformity with Legislative Council Rules Clearinghouse standards. The definition of "cigarette tax stamp" is deleted since it merely repeated statutory language of s. 139.30(13), Stats., and the definition of "cigarette tax stamp purchase" is deleted because it is not necessary.

SECTION 1. Tax 9.67 is repealed and recreated to read:

Tax 9.67 CIGARETTE TAX CREDIT. (s. 139.32(6), Stats.) (1) PAYMENT FOR CIGARETTE TAX STAMPS. Under s. 139.32(6), Stats., manufacturers and distributors having obtained a permit from the secretary of revenue may purchase cigarette tax stamps on credit. The credit extended by the department for any cigarette tax stamp purchase shall become due and payable upon the earlier of:

(a) Formal demand by the department.

(b) Fifteen days after the close of the month in which the indicia were received by the manufacturer or distributor.

(2) INVESTIGATION. The department may investigate the financial stability of the applicant and may deny credit to any permittee when there is any question of ability to pay as required in this section.

(3) REVOCATION OF PRIVILEGE. The privilege granted to any manufacturer or distributor of making cigarette tax stamp purchases on credit may be revoked at any time at the discretion of the department.

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Final Regulatory Flexibility Analysis

This rule order does not have a significant economic impact on a substantial number of small businesses.

Dated: _____

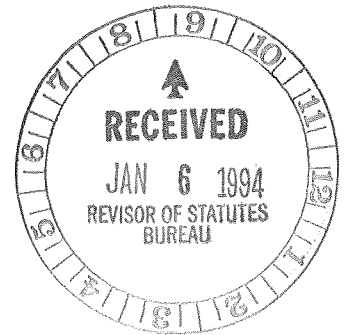
January 4, 1994

DEPARTMENT OF REVENUE

By: _____

[Signature]
Mark D. Bugher
Secretary of Revenue

CKLEG/1370



ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
TAX 9.67
Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 (R10/92)

Subject

Cigarette Tax Payment Schedule

Fiscal Effect

State: No State Fiscal Effect See Text of Fiscal Note

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 VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The proposed rule reflects changes made to the cigarette tax stamp payment schedule for manufacturers and distributors of cigarettes as a result of 1993 Wisconsin Act 16. The payment schedule requires manufacturers and distributors who pay within 30 days of receiving the tax stamps to now pay 15 days following the close of the month in which the stamps are received.

Any fiscal effect would be the result of a change in interest income due to changing the payment schedule. The revenue gain or loss is dependent on the timing of the purchase of cigarette tax stamps. For example, a cigarette manufacturer or distributor who receives tax stamps from the department on the first day of the month will pay for the stamps on the fifteenth day of the following month under the proposed rule. Under current law, the tax payment is due on the first day of the following month, or 15 days earlier. In this case, a revenue loss equal to the amount of interest earned by extending the tax due date 15 days would be realized by the state. Conversely, if a manufacturer or distributor receives stamps on the thirtieth day of the month, and the tax payment is due on the fifteenth of the following month rather than the thirtieth day of the following month, the state realizes a revenue gain represented by increased interest earned due to the earlier tax payment.

Because cigarette manufacturers and distributors do not purchase cigarette stamps in a uniform pattern from month to month, the revenue change from the proposed rule is expected to be \$0, on average.

Long-Range Fiscal Implications

<p>Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Joseph Malloy 266-7817</p>	<p>Authorized Signature/Telephone No. Yeang-Eng Braun 266-2700 <i>Yeang Eng Braun</i></p>	<p>Date 8/20/93</p>
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FISCAL ESTIMATE WORKSHEET

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

1993 Session

Detailed Estimate of Annual Fiscal Effect
 DOA-2047(R10/92)

LRB or Bill No./Adm. Rule No. Amendment No.
 TAX 9.67

Subject

Cigarette Tax Payment Schedule

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:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
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

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ See Text of Fiscal Note	\$ _____

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Joseph Malloy 266-7817	Authorized Signature/Telephone No. Yeang-Eng Braun 266-2700 <i>Yeang-Eng Braun</i>	Date <i>8/20/93</i>
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