



Legislative Fiscal Bureau

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March 24, 2021

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: State Tax and Fee Modifications Included in the Governor's 2021-23 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 68/SB 111). 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 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 \$1,020,728,000 (\$464,824,000 in 2021-22 and \$555,904,000 in 2022-23) and would increase net fees by \$17,162,700 (\$7,172,900 in 2021-22 and \$9,989,800 in 2022-23). In addition, it is estimated that measures included in AB 68/SB 111 to enhance the collection of current taxes would generate an additional \$78,031,700 (\$38,745,800 in 2021-22 and \$39,285,900 in 2022-23).

The sum of these revenue changes in the 2021-23 biennium follows:

Net Tax and Fee Changes

	<u>2021-22</u>	<u>2022-23</u>	<u>Total</u>
GPR	\$512,515,400	\$477,319,000	\$989,834,400
TANF	-47,016,400	0	-47,016,400
PR	4,241,200	5,485,700	9,726,900
SEG	<u>2,256,700</u>	<u>83,089,100</u>	<u>85,345,800</u>
Total	\$471,996,900	\$565,893,800	\$1,037,890,700

Enhanced Collection Measures

	<u>2021-22</u>	<u>2022-23</u>	<u>Total</u>
GPR	\$38,745,800	\$39,285,900	\$78,031,700

	2021-22	2022-23	Fund Source
TAX INCREASES			
GENERAL FUND TAXES			
Internal Revenue Code (IRC) Update. [Page 202, Item 1]. Update references to the IRC to adopt the following provisions of the Tax Cuts and Jobs Act of 2017: (a) loss limitation for taxpayers other than corporations; (b) amortization of research and experimental expenditures; (c) accounting rules for accrual method taxpayers; (d) limitation on the deduction for business interest; (e) limitation on the deduction for employee entertainment and meal expenses; (f) limitation on the deduction of Federal Deposit Insurance Corporation (FDIC) premiums; and (g) modification of the limitation on the deduction for highly paid individuals. Overall, individual income and corporate income/franchise taxes would increase by an estimated \$264.2 million in 2021-22, \$275.9 million in 2022-23, \$267.9 million in 2023-24, and \$258.8 million in 2024-25.	\$264,200,000	\$275,900,000	GPR
Manufacturing and Agriculture Tax Credit (MAC) Limitation. [Page 203, 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 2021. This provision would effectively provide for a maximum MAC claim of \$22,500 for income derived from manufacturing activities.	\$258,900,000	\$228,500,000	GPR
Limitation on Exclusion for Nonfarm Capital Gains. [Page 204, Item 3]. Limit the exclusion for capital gains based on the taxpayer's federal adjusted gross income (AGI), beginning in tax year 2021. Prohibit individuals with federal AGI above the following thresholds from claiming the exclusion: (a) 400,000 for single and head-of-household filers; (b) \$533,000 for married-joint filers; and (c) \$266,500 for married-separate filers. However, if a taxpayer's federal AGI, less 30% of eligible long-term gains from nonfarm assets, is below the income threshold amount, the exclusion would be reduced by the amount by which their federal AGI exceeds the applicable threshold amount.	\$202,100,000	\$148,400,000	GPR
Limitation on Private School Tuition Deduction. [Page 210, Item 9]. Limit the current law deduction for tuition expenses paid for a student to attend an eligible institution beginning in tax year 2021. Prohibit individuals with Wisconsin AGI at or above the following thresholds from claiming the deduction: (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.	\$6,400,000	\$6,500,000	GPR
Repeal Operating Loss Carryback. [Page 211, Item 11]. Repeal current law provisions under the individual income tax that allow net operating losses to be carried back for two tax years as an adjustment to federal AGI, beginning in tax year 2021. The administration estimates the provision would increase state tax revenues by \$2.0 million in 2021-22, \$4.1 million in 2022-23, \$2.0 million in 2023-24, \$0.5 million in 2024-25, and by a minimal amount thereafter.	\$2,000,000	\$4,100,000	GPR
Dividends Received Deduction Limit. [Page 212, Item 12]. Specify that corporations may not use the dividends received deduction in computing a net business loss under the corporate income/franchise tax.	\$2,900,000	\$3,100,000	GPR

	2021-22	2022-23	Fund Source
Addition to Taxable Income of Achieving a Better Life Experience (ABLE) Account Amounts Returned to Owner's Estate. [Page 216, Item 18]. Specify that any amount remaining in a Wisconsin ABLE account (created under separate provisions of the bill) 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 tax treatment for qualified ABLE programs of any other state (at present, no Wisconsin ABLE program exists).	Minimal	Minimal	GPR
Repeal Sales Tax Exemption for Clay Pigeons and Game Birds. [Page 220, Item 6]. Repeal the sales tax exemption for clay pigeons and live game birds sold to licensed bird hunting preserves and for clay pigeons sold to an eligible shooting facility, effective on the first day of the third month beginning after publication of the bill.	\$150,000	\$200,000	GPR
Repeal Sales Tax Exemption for Farm-Raised Deer. [Page 220, Item 7]. Repeal the sales tax exemption for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state, effective on the first day of the third month beginning after publication of the bill.	\$90,000	\$120,000	GPR
Impose Tobacco Products Tax on Vapor Products. [Page 221, Item 2]. Impose the tobacco products tax on vapor products at the rate of 71% of the manufacturer's list price, instead of 5¢ per milliliter of the liquid, to distributors in this state and expand the definition of vapor products subject to tax. The bill would alter the definition of a vapor product, therefore allowing the tax to apply to liquids sold separately from a device. In addition, since the tax rate would no longer be based on milliliters, the tax would be imposed on devices that are sold without liquid. These provisions would take effect on the first day of the third month beginning after publication of the bill.	\$12,700,000	\$16,600,000	GPR
Impose Cigarette Tax on Little Cigars. [Page 222, Item 3]. Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax currently imposed on cigarettes weighing not more than three pounds per thousand (\$2.52 per pack of 20) beginning on the first day of the third month after publication of the bill. A tax would be imposed on little cigars held in inventory on the effective date of the bill. Under current law, little cigars are subject to an excise tax at the rate of 71% of the manufacturer's established list price to distributors.	\$2,300,000	\$3,000,000	GPR
Enterprise Zone Tax Credit Limit. [Page 226, Item 7]. 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

	2021-22	2022-23	Fund Source
MARIJUANA-RELATED PROVISIONS			
Marijuana Tax and Regulation. [Page 395, Item 5]. Impose an excise tax on: (a) marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers; and (b) marijuana retailers at a rate of 10% of the retail sales price of usable marijuana [Page 220, Item 1]. Create a separate, nonlapsible trust fund, designated the Community Reinvestment Fund, and specify that 60% of all moneys received from marijuana excise taxes imposed by DOR, including interest and penalties, would be deposited into the fund [Page 405, Item 7]. The remaining 40% of marijuana excise tax revenues would be deposited into the general fund. Impose the sales tax on legal retail sales of usable marijuana [Page 216, Item 1]. For individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry, provide an exemption from the retail excise tax and the sales tax for sales of medical marijuana [Page 404, Item 6]. These provisions would take effect on the effective date of the bill. However, the administration indicates that it does not estimate a fiscal effect until 2022-23, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made.	\$0 \$0	\$86,480,000 \$79,320,000	GPR SEG
SUBTOTAL -- TAXES -- INCREASES	\$751,740,000 \$0	\$772,900,000 \$79,320,000	GPR SEG
TAX DECREASES			
GENERAL FUND TAXES			
Family Caregiver Tax Credit. [Page 204, Item 4]. Create an individual income tax credit for 50% of the qualified expenses incurred by a family caregiver to benefit a qualified family member, beginning in tax year 2021. Specify that the maximum credit would be \$500 (\$250 married-separate) per qualified family member. The credit would phase out for married-joint filers with federal AGI between \$150,000 to \$170,000 and for all other filers with federal AGI between \$75,000 and \$85,000.	-\$100,400,000	-\$102,500,000	GPR
Work Opportunity Tax Credit (WOTC). [Page 206, Item 6]. Create a nonrefundable income and franchise tax credit, beginning in tax year 2021, modeled on the federal WOTC. The state WOTC would allow an employer to claim a credit for up to: (a) 20% of qualified first year wages paid during the year to a targeted group member who has performed at least 400 hours of services in Wisconsin; (b) 12.5% of qualified first-year wages paid to a targeted group member who has performed between 120 and 400 hours of services in Wisconsin; or (c) 25% of the qualified second-year wages paid to a long-term family assistance recipient who performed at least 400 hours of service in Wisconsin. The state WOTC would have to be claimed at the same time as the federal WOTC and would sunset after tax year 2025.	-\$27,800,000	-\$24,100,000	GPR
Individual Income Tax Credit for Child and Dependent Care Expenses. [Page 209, Item 7]. Create a nonrefundable individual income tax credit for household and dependent care expenses, beginning in tax year 2021, equal to 50% of the amount of the federal household and dependent care expenses credit. Sunset the current law deduction for household and dependent care expenses beginning in tax year 2021.	-\$9,800,000	-\$9,800,000	GPR

	2021-22	2022-23	Fund Source
Modify the Medical Care Insurance Deduction for Self-Employed Individuals. [Page 210, Item 8]. Modify the income limitation on the deduction under the individual income tax that self-employed persons may claim for medical care insurance for themselves, their spouse, and their dependents, beginning in tax year 2021. Repeal obsolete provisions regarding medical care insurance deductions that were sunset in prior tax years. [This provision is identical to a provision signed into law under 2021 Act 1.]	-\$9,500,000	-\$9,500,000	GPR
Low-Income Housing Tax Credit. [Page 211, Item 10]. 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 administration estimates the provision would reduce state tax revenues by \$1,450,000 in 2021-22, \$7,250,000 in 2022-23, \$13,050,000 in 2023-24, and \$18,850,000 in 2024-25, fully phasing in to a decrease of \$58 million in 2031-32.	-\$1,450,000	-\$7,250,000	GPR
First-Time Homebuyer Savings Accounts. [Page 212, Item 13]. Create a program administered by DOR allowing an individual to become an account holder by creating an account to pay or reimburse for the down payment and closing costs of a first-time home buyer's purchase of a single-family residence. Allow a subtraction from AGI for each account holder of up to \$5,000 per year, or \$10,000 if the account holder is a married joint filer, for each account to which the account holder makes a deposit. Limit the total amount subtracted to \$50,000 of deposits per account holder for each beneficiary. Withdrawals would not trigger a state tax, provided the proceeds would be used for eligible costs. The provisions would apply beginning in tax year 2022. The administration estimates the provision would reduce state tax revenues by \$4,100,000 in 2022-23, \$7,000,000 in 2023-24, and \$7,500,000 in 2024-25.	Minimal	-\$4,100,000	GPR
Individual Income Tax Credit for Flood Insurance Premiums. [Page 214, Item 14]. Create a nonrefundable individual income tax credit for flood insurance premiums, beginning in tax year 2021, equal to 10% of the amount of premiums the claimant paid during the tax year for flood insurance, but not more than \$60 per tax year.	-\$800,000	-\$800,000	GPR
Individual Income Tax Exclusion for Certain Active Duty Military Income. [Page 214, Item 15]. Specify that amounts received by certain reserve members of the U.S. Armed Forces that are called into active federal service under 10 USC 12304b of federal law are excluded from taxable income. In addition, create an exclusion from taxable income for any amount of pay received from the state of Wisconsin by a member of the Wisconsin National Guard after being called into active state duty. These provisions first apply in tax year 2021.	-\$430,000	-\$430,000	GPR
Creation of Individual Income Tax Exclusion for AmeriCorps Awards. [Page 215, Item 16]. Provide that any amount of a national service educational award certified by the Corporation for National and Community Service (including the AmeriCorps program) and disbursed under specific provisions of federal law could be excluded from the individual's taxable income, beginning in tax year 2021.	-\$136,000	-\$136,000	GPR

	2021-22	2022-23	Fund Source
Federalize Provisions Related to College Savings Accounts and Expand Requirement to Add Non-Qualified Expenses Back to Taxable Income. [Page 215, Item 17]. Beginning in tax year 2019, specify that sections 221 (e) (1) and 529 of the IRC in effect for federal tax purposes, relating to qualified tuition programs, are automatically adopted for Wisconsin income tax purposes. In addition, modify the current law addition to taxable income of amounts initially contributed to a college savings account that are subsequently not used for qualified higher education expenses. Estimate reduced income tax revenues of \$100,000 annually, beginning in 2021-22, associated with state adoption of federal provisions that would allow college savings account distributions to be used for: (a) eligible apprenticeship program expenses; and (b) up to \$10,000 of principal or interest on qualified student loans of the account's beneficiary, or their sibling. However, these federal provisions were adopted for state tax purposes under 2021 Act 1.	-\$100,000	-\$100,000	GPR
Sales Tax Exemption for Diapers. [Page 217, Item 2]. Provide an exemption from the general sales and use tax for sales of diapers, not including adult undergarments for incontinence. The provision would take effect on the first day of the third month beginning after publication of the bill.	-\$7,300,000	-\$8,800,000	GPR
Sales Tax Exemption for Energy Systems. [Page 217, Item 3]. Expand the current law exemption from the state sales and use tax for solar power, wind energy, and waste energy systems 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.	-\$3,800,000	-\$4,400,000	GPR
Sales Tax Exemption for Sweetened Dried Fruit. [Page 218, Item 4]. Effective on the first day of the third month following publication of the bill, provide a sales and use tax exemption for sweetened dried fruit. Modify the definition of "candy" to exclude a preparation that has as its predominant ingredient dried or partially dried fruit, along with one or more sweeteners, and which may also contain other additives including oils, natural flavorings, fiber, or preservatives. Dried or partially dried fruits prepared with the following would not be exempt from the sales and use tax: (a) chocolate; (b) nuts; (c) yogurt; or (d) a confectionary coating or glazing. Additionally, dried or partially dried fruit would not include fruit that has been ground, crushed, grated, flaked, pureed, or jellied.	-\$400,000	-\$500,000	GPR
Sales Tax Exemption for Prairie or Wetland Planning Services. [Page 219, Item 5]. 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 bill would specify that the exemption for qualifying planning and counseling services provided for a separate and optional fee does not apply to tangible personal property physically transferred, or transferred electronically, to the customer in conjunction with those services. The provision would take effect on the first day of the third month following publication of the bill.	-\$200,000	-\$300,000	GPR
Expand Earned Income Tax Credit (EITC). [Page 225, Item 3]. Expand the state EITC, beginning in tax year 2021, for claimants with one qualifying child to equal 16% of the federal EITC, rather than 4%, and for claimants with two qualifying children to equal 25% of the federal EITC, rather than 11%.	-\$27,283,600 -\$47,016,400	-\$74,000,000 \$0	GPR TANF

	2021-22	2022-23	Fund Source
Homestead Tax Credit Expansion. [Page 225, Item 5]. Beginning in tax year 2021, increase the income threshold above which no homestead credit is allowed to \$30,000 (from \$24,680) and reduce the rate at which the credit phases out to 6.655% (from 8.785%). Direct that the following formula factors of the credit would be indexed for inflation annually beginning in tax year 2023: (a) the income threshold for the maximum credit; (b) the maximum income level to receive the credit; and (c) the maximum allowable property taxes or rent constituting property taxes. This provision would increase estimated state GPR expenditures by \$35.0 million in 2021-22, \$33.9 million in 2022-23, \$41.4 million in 2023-24, and \$47.4 million in 2024-25.	-\$35,000,000	-\$33,900,000	GPR
Refundable Research Credit. [Page 228, Item 9]. Modify the partially refundable research tax credit, as computed under current law, to increase the refundable portion from up to 10% of the credit amount to up to 20% of the credit amount for new research credit claims beginning in tax year 2021.	-\$10,600,000	-\$10,600,000	GPR
Veterans Property Tax Credit Expansion for Renters. [Page 229, Item 12]. Expand the veterans and surviving spouses property tax credit by providing the credit to eligible renters beginning in tax year 2021 for 100% (50% for married-separate filers) of their rent constituting property taxes for the eligible veteran's principal dwelling.	-\$4,900,000	-\$5,100,000	GPR
Business Development Tax Credit for Renewable Energy. [Page 229, Item 14]. Authorize WEDC to award an additional tax credit under the business development tax credit program for 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, 2022.	Minimal	Minimal	GPR
Business Development Tax Credit Modifications. [Page 230, Item 15]. For purposes of the corporate headquarters credit, remove the requirement that the job duties associated with eligible employee's positions involve the performance of corporate headquarters functions in include the employee's wages in the calculation of the credit. In addition, for purposes of an employer claiming the job training credit, modify the eligible activities for what the job training would have to include.	Minimal	Minimal	GPR
Wage Threshold for Enterprise Zone and Business Development Tax Credits. [Page 230, Item 16]. Increase the required wage thresholds under both the enterprise zone and business development tax credit programs from \$22,620 for Tier 1 and \$30,000 for Tier 2 counties and municipalities to \$27,900 and \$37,000, 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 \$123,000 as creditable wages (rather than \$100,000). Beginning on January 1, 2023, the wage thresholds and limits would be adjusted for inflation each year. Define a "full-time job" under the business development job creation and job retention credits.	Unknown	Unknown	GPR
Refundable Tax Credits for Pass-Through Entities. [Page 232, Item 18]. Allow pass-through entities to claim the jobs, enterprise zone, and business development tax credits at the entity level for taxable years beginning after December 31, 2021, if the credit results from a contracted entered into with WEDC prior to December 22, 2017.	Minimal	Minimal	GPR
SUBTOTAL -- TAXES -- DECREASES	-\$239,899,600 -\$47,016,400	-\$296,316,000 \$0	GPR TANF

	2021-22	2022-23	Fund Source
FEE INCREASES			
AGRICULTURE, TRADE AND CONSUMER PROTECTION			
Marijuana Regulation. [Page 67, Item 5]. 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 \$454,500 PR in expenditure authority over the biennium associated with fees from marijuana permitting.	\$203,400	\$251,100	PR
ETHICS COMMISSION			
Lobbying Fee Increase. [Page 187, Item 2]. Specify the following modifications to lobbying fees: (a) a one-time surcharge of \$55 on principal registration and lobbyist authorization fees accrued for the 2021-22 legislative session; and (b) a principal registration and lobbyist authorization fee increase of \$55 per legislative session starting in 2023-24. Under current law, the Commission charges \$375 per session for principal registration and \$125 for lobbyist authorization. Under the bill, fees would be increased to \$430 for principal registration and \$180 for lobbyist authorization. Fees would be deposited to the Commission's lobbying administration appropriation to support a deputy administrator position.	\$142,000	\$121,800	PR
FINANCIAL INSTITUTIONS			
Office of the Student Loan Ombudsman -- Student Loan Servicer License Fee. [Page 191, Item 4]. Create an Office of the Student Loan Ombudsman. Require student loan servicers to be licensed, which, among other items, requires a \$1,000 license fee and an \$800 investigation fee. Specify that a license may be renewed for a 24-month period upon filing a renewal application containing all required documents and fees. The bill does not specify a renewal fee amount, but does specify that a \$100 late fee is required, if the renewal application is filed after September 1 of the year in which the license expires.	Unknown	Unknown	PR
Securities and Investment Firm Fees. [Page 197, Item 7]. Increase the initial license application and renewal fees for a broker-dealer or investment adviser from \$200 to \$300 and increase the initial license application and renewal fees for an agent representing a broker-dealer or issuer or an investment advisor representative from \$80 to \$100. In addition, increase the federal covered advisor initial and renewal notice filing fees from \$200 to \$300 and increase the filing fee for a broker-dealer, investment advisor, or federal covered advisor maintaining a Wisconsin branch office from \$80 to \$100 for each branch office. Revenue would be deposited into the general program operations appropriation and transfer to the general fund at the close of each fiscal year.	\$3,369,800	\$4,493,000	PR
Notary Application Fees. [Page 198, Item 10]. Increase the four-year notary public application fee for non-attorneys from \$20 to \$40 and increase the permanent notary public application fee for attorneys from \$50 to \$100. Revenue would be deposited into the general program operations appropriation and transfer to the general fund at the close of each fiscal year.	\$223,200	\$297,600	PR

	2021-22	2022-23	Fund Source
INSURANCE			
Licensure and Regulation of Pharmacy Benefit Managers. [Page 321, Item 2]. Specify that a pharmacy benefit manager (PBM) must be licensed by OCI either as a PBM or as an employee benefit administrator in order to perform, offer to perform, or advertise any service as a PBM, effective 14 months after the enactment of the bill. Establish the fee for PBM license issuance and annual renewal at \$100.	\$0	Minimal	PR
Licensure of Pharmacy Benefit Management Brokers and Consultants. [Page 326, Item 4]. Specify that a person may not serve as a pharmacy benefit management broker or consultant or as any other person who procures the services of a pharmacy benefit manager on behalf of a client without a license issued by OCI. Authorize OCI to promulgate rules to establish the license fee.	Unknown	Unknown	PR
Licensure of Pharmacy Services Administrative Organizations. [Page 327, Item 5]. Specify that a person may not serve as a pharmacy services administrative organization without a license issued by OCI. Authorize OCI to promulgate rules to establish the license fee.	Unknown	Unknown	PR
Licensure of Pharmaceutical Representatives. [Page 327, Item 6]. Specify that an individual may not act as a pharmaceutical representative without a license issued by OCI. Authorize OCI to promulgate rules to establish the license fee.	Unknown	Unknown	PR
Generic Drug Importation Program. [Page 336, Item 10]. Require the Insurance Commissioner, in consultation with various parties, 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
State-Based Health Insurance Exchange. [Page 346, Item 1]. Provide \$823,000 GPR in 2021-22 and \$4,052,300 (\$1,052,300 GPR and \$3,000,000 PR) in 2022-23, and 10.0 GPR positions, beginning in 2021-22, to develop and implement a state-based health insurance exchange. Require OCI to impose a user fee, as authorized under federal regulations, on each insurer that offers a health plan through the state-based exchange.	Unknown	Unknown	PR
NATURAL RESOURCES			
Waterfowl Stamp Fee. [Page 429, Item 2]. Increase the price of the waterfowl stamp from \$7 to \$12. The waterfowl stamp is required of any person at least 16 years old who must purchase a state license to hunt waterfowl. Revenues are credited to continuing appropriations in the fish and wildlife account of the SEG conservation fund for: (a) preserving or restoring wetland habitat, or producing waterfowl and related species; and (b) developing propagation areas in Canada to support bird populations through the state and the Mississippi River Flyway.	\$259,500	\$259,500	SEG
Well Construction Notification Fee. [Page 444, 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.	\$166,000	\$166,000	PR

	2021-22	2022-23	Fund Source
Well Construction Variances Application Fee. [Page 444, Item 3]. Require 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
Concentrated Animal Feeding Operation (CAFO) Fees. [Page 447, Item 15]. Increase permit fees for CAFOs by \$200 annually, from \$345 to \$545, and establish an application fee of \$3,270 for new operations seeking a permit. As of January, 2021, there are 319 permitted CAFOs in Wisconsin, increasing by an estimated nine each year. Additional revenues from this provision are estimated at \$95,000 annually.	\$95,000	\$95,000	PR
PUBLIC INSTRUCTION			
Public Library System Aid. [Page 497, Item 15]. Provide \$2,500,000 in 2021-22 and \$4,000,000 in 2022-23 above base level funding of \$16,013,100 for public library system aid. Funding would be from the universal service fund, 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.	\$2,500,000	\$4,000,000	SEG
Library Service Contracts. [Page 497, Item 16]. Provide \$12,900 in 2021-22 and \$25,300 in 2022-23 above base level funding of \$1,342,400 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information. Funding would be from the universal service fund, 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.	\$12,900	\$25,300	SEG
REVENUE			
Marijuana Permit Fees. [Page 512, Item 5]. 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. The administration estimates that DOR would issue 300 initial permits in 2021-22 and an additional 60 new permits in 2022-23.	\$675,000	\$735,000	GPR
SAFETY AND PROFESSIONAL SERVICES			
Construction Contractor Registration. [Page 524, Item 12]. Require any person who holds himself or herself as, or acts as, a construction contractor to register with DSPS. Require DSPS to promulgate rules establishing fees for registration, and require fees to attempt to equal DSPS costs of administering the program. The administration indicates that it does not have current estimates of the number of contractors that would register, or the fees that would be assessed.	Unknown	Unknown	PR
Regulation and Licensure of Dental Therapists. [Page 526, Item 16]. 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.	Minimal	Minimal	PR

	2021-22	2022-23	Fund Source
TRANSPORTATION			
Specific Information Sign Annual Permit Fee. [Page 588, Item 12] Increase the annual permit fee from \$40 to \$80, beginning July 1, 2022, related to the specific information sign program, under which DOT erects and maintains signs to direct motorists to services located near certain highways. Persons requesting specific information signs are required to pay an annual permit fee to cover the administrative costs and the cost of inspection of signs erected or installed. No estimate of the additional revenue generated from the annual permit fee was included in the bill. In addition, persons requesting the sign are also required to pay a fee for the manufacture, installation, and maintenance of a specific information sign.	Unknown	Unknown	SEG-L
10-Year Replacement of Motor Vehicle Registration Plates and Related Fee. [Page 589, Item 1] Require DOT to issue and deliver prepaid two new registration plates to individuals renewing their registration for which a registration plate has not been issued during the previous 10 years, effective July 1, 2021. Specify that the new plates would be issued upon receipt of: (a) a completed application to renew the registration of a vehicle for which a registration plate has not been issued during the previous ten years; and (b) payment of a newly created \$6.25 fee associated with the issuance of the plates. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee amount would provide revenues to equally offset the estimated expenses associated with the manufacturing and issuance of new plates.	Unknown	Unknown	SEG
Mailed Registration Notice Fee. [Page 590, Item 2] Establish a special transaction fee of \$0.33 for each vehicle registration renewal notice that is provided by mail, effective July 1, 2022. No estimate of the gross revenues generated from this fee were included in the Governor's budget bill, although the Department indicates the fee would provide revenues to equally offset the estimated expenses associated with mailing registration notices.	Unknown	Unknown	SEG
WORKFORCE DEVELOPMENT			
Substance Abuse Prevention on Public Works and Public Utility Projects. [Page 643, Item 1]. Create a registration program to prevent substance abuse by persons employed on public works and public utility projects. Require DWD to charge every employer that is subject to the substance abuse prevention requirements a fee for registration and to establish a tiered fee structure so that fees cover necessary program costs. The provision would take effect on the 90th day after publication of the bill.	\$58,100	\$77,500	PR
SUBTOTAL -- FEES -- INCREASES	\$675,000 \$4,282,500 \$2,772,400	\$735,000 \$5,527,000 \$4,284,800	GPR PR SEG

	2021-22	2022-23	Fund Source
FEE DECREASES			
ADMINISTRATION			
Diversity Goals for State Procurement. [Page 42, Item 1]. Repeal the Department of Administration's (DOA) disabled veteran-owned, woman-owned, and minority business certification fees appropriation. Repeal statutory provisions allowing DOA to charge a fee to a business that applies for certification under the supplier diversity program. The program provides preferences in state agency contracting for certified disabled veteran-owned and minority businesses, and provides certification for woman-owned businesses. Under current law, DOA may charge a fee for certification.	-\$39,100	-\$39,100	PR
NATURAL RESOURCES			
Free Fourth-Grade Admission to State Parks. [Page 427, 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, 2022. 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
Tippling Fee Exemption for Waste-To-Energy Facilities. [Page 440, Item 11]. Create an exemption from solid waste disposal tipping fees for facilities that incinerate solid waste for the purpose of energy recovery. Facilities meeting the requirements would have an exemption from tipping fees for residual waste sent to landfills in the state, but not more than 30% of the total weight of material accepted by the facility. It is expected that two facilities, one each in La Crosse and Barron Counties, would qualify for the exemption. The provision would reduce revenues to the segregated environmental fund and a PR appropriation for the Solid Waste Facility Siting Board	-\$272,100 -\$200	-\$272,100 -\$200	SEG PR
Hydrologic Restoration Council and General Permit. [Page 449, Item 21]. Create a general permit for certain types of wetland, stream, and floodplain restoration activities. Under current law, such projects are subject to a wetland individual permit fee of \$803, which would be reduced to \$303 under the bill. The Department of Natural Resources estimates perhaps four projects each year would be eligible for the new permit, reducing revenues by \$2,000 annually.	-\$2,000	-\$2,000	PR
SUBTOTAL -- FEES -- DECREASES	-\$41,300 -\$515,700	-\$41,300 -\$515,700	PR SEG
ENHANCED COLLECTION MEASURES			
GENERAL FUND TAXES			
Broker-Dealer Apportionment. [Page 206, Item 5]. Modify the administrative code as it pertains to apportioning Wisconsin income for interstate broker-dealers, investment companies, investment advisors, and underwriters to require that net gains from the sale of trading assets be included in the apportionment formula. Under the current administrative code, gross receipts are included in the apportionment formula for these businesses, unless DOR determines that net gains must be used when the inclusion gross receipts results in a substantial distortion of the receipts factor.	\$37,000,000	\$37,000,000	GPR

	2021-22	2022-23	Fund Source
Define Manufacturer's List Price. [Page 223, Item 4]. 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
Enterprise Zone Tax Credit Base Year Calculation. [Page 227, Item 8]. Modify the enterprise zone tax credit program so that, for contracts executed after December 31, 2021, the base year for comparing the number of employees and the amount of payroll that may be eligible for the job creation, job retention, and retention of financial services technology business credits would be the 12-month period prior to the date on which the claimant was certified. The administration indicates that the change would improve assessment of enterprise zone job creation and retention to better reflect conditions immediately preceding the date the contract was executed.	Unknown	Unknown	GPR
REVENUE			
Statewide Debt Collection (SDC) Positions. [Page 511, Item 2]. Add 8.0 permanent SDC positions to replace the 8.0 expiring project positions. The positions would begin on October 1, 2021. DOR charges a fee for its collection activities, which is deposited into a program revenue appropriation account. At the end of each fiscal year, any remaining funds in the account are transferred to the general fund. The new positions are estimated to generate additional fees collected by DOR of \$2.2 million in 2021-22 and \$2.9 million in 2022-23. After deducting for the cost of the new positions (\$0.5 million in 2021-22 and \$0.6 million in 2022-23), it is estimated that the remaining fee revenue (\$1.7 million in 2021-22 and \$2.3 million in 2022-23) would transfer to the general fund.	\$1,745,800	\$2,285,900	GPR
SUBTOTAL -- ENHANCED COLLECTION MEASURES	\$38,745,800	\$39,285,900	GPR