

DEPARTMENT OF REVENUE

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY13 Adjusted Base	FY14 Recommended	% Change Over FY13	FY15 Recommended	% Change Over FY14
GPR	93,215,500	90,693,700	-2.7	90,040,300	-0.7
PR-O	10,406,300	11,167,000	7.3	11,403,600	2.1
PR-S	3,708,600	3,713,700	0.1	3,713,800	0.0
SEG-O	68,693,500	74,446,600	8.4	74,546,100	0.1
TOTAL	176,023,900	180,021,000	2.3	179,703,800	-0.2

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY13 Adjusted Base	FY14 Recommended	FTE Change Over FY13	FY15 Recommended	FTE Change Over FY14
GPR	859.28	875.33	16.05	875.33	0.00
PR-O	83.30	99.30	16.00	99.30	0.00
PR-S	6.80	6.80	0.00	6.80	0.00
SEG-O	102.70	108.70	6.00	108.70	0.00
TOTAL	1,052.08	1,090.13	38.05	1,090.13	0.00

AGENCY DESCRIPTION

The department is headed by a secretary who is appointed by the Governor with the advice and consent of the Senate. The department advises the Governor and Legislature on tax policy, administers the state's tax laws and lottery, distributes property tax relief and local unrestricted aid payments, and oversees general administration of the property tax system. The department's activities are organized into the following four major program areas:

- The Division of Income, Sales and Excise Tax collects taxes through accepting tax payments and processing tax returns, enforces tax laws and collects taxes through audit and compliance activities, provides taxpayer assistance, and conducts criminal investigations;
- The Division of State and Local Finance administers state policy and programs affecting local government finance and the state's property tax system, including establishing equalized values, supervising general administration of the local property tax and assessing the value of manufacturing property statewide;
- The Lottery Division administers the lottery program that provides funding for the property tax credit; and
- The administrative services area includes the Secretary's Office, Office of General Counsel, Division of Enterprise Services, Division of Technology Services, and Division of Research and Policy, and provides the Executive Office and Legislature with detailed analyses of revenue and tax policy options.

Revenue

The tax programs administered by the department provide revenue for the state's general fund, economic development fund and transportation fund. The department also administers the homestead, farmland preservation and earned income credits, which are paid to eligible applicants from the general fund.

MISSION

The Wisconsin Department of Revenue administers Wisconsin's tax system to provide revenue to fund state and local government services.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been modified.

The department has developed the following goals that reflect the outcomes the department seeks to achieve: implement good tax policy that will focus on policies that promote job growth; improve customer service to individuals and businesses; and operate the department efficiently and effectively, while identifying opportunities to implement Lean Government initiatives.

Program 1: Collection of Taxes

Goal: Ensure accountability through enforcement of tax laws.

Objective/Activity: Delinquent collections per fiscal year.

Goal: Operate efficiently and effectively.

Objective/Activity: Growth in individual income, corporate franchise/income, and sales/use tax returns received electronically.

Program 2: State and Local Finance

Goal: Ensure fair and equitable tax compliance, collection and property valuation through the Integrated Property Assessment System.

Objective/Activity: Increase availability of electronic means of doing business.

Program 3: Administrative Services and Space Rental

Goal: Develop and advocate sound tax and fiscal policy.

Objective/Activity: Variance between estimated revenue and actual revenue.

Goal: Operate efficiently and effectively.

Objective/Activity: Cost per dollar received.

Objective/Activity: Lean Government project charter counts.

Goal: Ensure a positive and diverse work environment.

Objective/Activity: Percentage of target group members in agency workforce.

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Program 8: Lottery

Goal: Achieve the highest possible revenue for property tax relief by offering entertaining and socially responsible games, while ensuring integrity and public trust.

Objective/Activity: Percentage increase in non-Powerball/Mega Millions sales generated over prior year.

Objective/Activity: Percentage of lottery administrative expenses as compared to lottery revenues.

PERFORMANCE MEASURES

2011 AND 2012 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2011	Actual 2011	Goal 2012	Actual 2012
1.	Collection of delinquent taxes.	\$173 million	\$202 million	\$173 million	\$197 million
1.	Percentage of individual income (II) sales tax (ST) and corporate (C) returns received electronically.	78% (II) 63% (ST) 45% (C)	80% (II) 88%(ST) 69% (C)	81% (II) 86% (ST) 60% (C)	82% (II) 88% (ST) 61% (C)
2.	Percentage of forms and reports received electronically.	85%	86%	90%	89%
3.	Variance between estimated revenue and actual revenue.	± 2%	± 1.6%	± 2%	± 0.9%
3.	Percentage of employees satisfied with their work environment.	More than 2010	No survey conducted	More than 2011	No survey conducted
3.	Percentage of target group members in agency workforce.	10%	11.6%	10%	11.4%
3.	Cost per dollar received.	\$0.0070	\$0.0071	\$0.0070	\$0.0067
8.	Percentage increase in non-Powerball/MegaMillions sales generated over prior year.	-1%	+7.2%	-0.1%	+5.8%
8.	Percentage of lottery costs as compared to lottery revenues.	<10%	6.55%	<10%	6.53%

Note: Based on fiscal year.

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2013, 2014 AND 2015 GOALS

Prog. No.	Performance Measure	Goal 2013	Goal 2014	Goal 2015
1.	Collection of delinquent taxes.	\$173 million	\$187 million	\$190 million
1.	Percentage of individual income (II) sales tax (ST) and corporate (C) returns received electronically.	84% (II) 89% (ST) 65% (C)	84% (II) 90% (ST) 69% (C)	85% (II) 91% (ST) 69% (C)
2.	Percentage of forms and reports received electronically.	95%	95%	95%
3.	Variance between estimated revenue and actual revenue.	± 2%	± 2%	± 2%
3.	Percentage of employees satisfied with their work environment.	More than 2012	N/A ¹	N/A ¹
3.	Percentage of target group members in agency workforce. ²	10%	10%	10%
3.	Cost per dollar received.	\$0.0070	\$0.0070	\$0.0070
3.	Lean Government project charter counts. ²	7	7	10
8.	Percentage increase in non-Powerball/MegaMillions sales generated over prior year.	0%	0%	0%
8.	Percentage of lottery costs as compared to lottery revenues.	<10%	<10%	<10%

Note: Based on fiscal year.

¹This objective will no longer be measured.

²Reflects a new performance measure for the upcoming biennium.

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DEPARTMENT OF REVENUE

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Individual Income Tax Reductions
2. Tax Fraud Enforcement Expansion
3. Debt Collection Efficiencies
4. Federal Audit Reports Enforcement
5. College Tuition Income Threshold Indexing
6. Disabled Veterans Employment Credit Continuation
7. Internal Revenue Code Updates
8. Biogas Energy Systems Property Tax Exemption
9. Lottery Administration
10. Lottery Sum Sufficient Adjustments
11. Sales Tax Administration Efficiencies
12. Streamlined Sales and Use Tax Agreement Updates
13. Lump Sum Property Sales Tax Exemption
14. Advertising and Promotional Direct Mail Sales Tax Exemption
15. Qualified Research Sales Tax Exemption
16. Disregarded Entities Expansion
17. Cigarette Regulation Updates
18. Capital Gains Deferral and Exclusion Program Transfer
19. Electronic Medical Records Credit Sunset
20. Reliance on Past Audits Provision
21. Departmental Efficiencies
22. Minor Transfers Between Appropriations
23. Technical Modifications
24. Red Cross Income Tax Checkoff Modifications
25. Permanent GPR Reductions
26. Standard Budget Adjustments

ITEMS NOT APPROVED

27. Add Definition of "Person" to Chapters 78, 139 and 168, Wis. Stats.
28. Charge Interest on Withholding Tax Personal Liability Assessments
29. Confidentiality of Uncashed Refund Checks
30. Due Date of Liquor License Information from Clerks
31. Exception to Penalty for Copies of Vital Records
32. Homestead Credit Qualification
33. Increase Fee to Obtain Net Tax
34. Distribution of Fermented Malt Beverages
35. Three Tier Beer Law Amendments
36. Update Motor Fuel Definition of Bulk Plant in Motor Fuel Statutes
37. Prize Claim Clarification
38. Changes to Payment of Interest for Refunds Resulting from Refundable Credits
39. Marriage Penalty Reduction Options
40. Repeal Woodland Tax Law
41. Modify Property Tax Publication Requirements
42. Real Estate Transfer Fee - Owners of Record and Marital Property Law
43. Limitation on Earned Income Credit Qualification
44. MC-500 Merger/Conversion - Delete Filing Requirement

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**Table 1
Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY12	ADJUSTED BASE FY13	AGENCY REQUEST FY14	AGENCY REQUEST FY15	GOVERNOR'S RECOMMENDATION FY14	GOVERNOR'S RECOMMENDATION FY15
GENERAL PURPOSE REVENUE	\$84,544.4	\$93,215.5	\$84,869.2	\$84,962.0	\$90,693.7	\$90,040.3
State Operations	83,807.6	93,215.5	84,869.2	84,962.0	90,693.7	90,040.3
Local Assistance	736.8	0.0	0.0	0.0	0.0	0.0
FEDERAL REVENUE (1)	\$31.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
State Operations	31.4	0.0	0.0	0.0	0.0	0.0
PROGRAM REVENUE (2)	\$10,144.6	\$14,114.9	\$14,141.4	\$14,166.7	\$14,880.7	\$15,117.4
State Operations	10,144.6	14,114.9	14,141.4	14,166.7	14,880.7	15,117.4
SEGREGATED REVENUE (3)	\$397,358.5	\$68,693.5	\$72,550.5	\$72,581.4	\$74,446.6	\$74,546.1
State Operations	73,763.6	68,693.5	72,550.5	72,581.4	74,446.6	74,546.1
Aids to Ind. & Org.	323,594.9	0.0	0.0	0.0	0.0	0.0
TOTALS - ANNUAL	\$492,078.8	\$176,023.9	\$171,561.1	\$171,710.1	\$180,021.0	\$179,703.8
State Operations	167,747.2	176,023.9	171,561.1	171,710.1	180,021.0	179,703.8
Local Assistance	736.8	0.0	0.0	0.0	0.0	0.0
Aids to Ind. & Org.	323,594.9	0.0	0.0	0.0	0.0	0.0

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2
Department Position Summary by Funding Source (in FTE positions) (4)**

	ADJUSTED BASE FY13	AGENCY REQUEST FY14	AGENCY REQUEST FY15	GOVERNOR'S RECOMMENDATION FY14	GOVERNOR'S RECOMMENDATION FY15
GENERAL PURPOSE REVENUE	859.28	829.33	829.33	875.33	875.33
PROGRAM REVENUE (2)	90.10	91.10	91.10	106.10	106.10
SEGREGATED REVENUE (3)	102.70	102.70	102.70	108.70	108.70
TOTALS - ANNUAL	1,052.08	1,023.13	1,023.13	1,090.13	1,090.13

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

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**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY12	ADJUSTED BASE FY13	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY14	FY15	FY14	FY15
1. Collection of taxes	\$56,060.9	\$62,608.7	\$57,374.7	\$57,409.4	\$63,683.0	\$63,135.2
2. State and local finance	\$11,654.7	\$12,653.3	\$12,240.9	\$12,248.8	\$12,229.9	\$12,237.8
3. Administrative services and space rental	\$29,016.0	\$34,501.3	\$31,955.0	\$32,046.4	\$32,221.5	\$32,360.6
8. Lottery	\$395,347.2	\$66,260.6	\$69,990.5	\$70,005.5	\$71,886.6	\$71,970.2
TOTALS	\$492,078.8	\$176,023.9	\$171,561.1	\$171,710.1	\$180,021.0	\$179,703.8

**Table 4
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY13	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY14	FY15	FY14	FY15
1. Collection of taxes	665.18	654.03	654.03	712.03	712.03
2. State and local finance	112.00	112.00	112.00	112.00	112.00
3. Administrative services and space rental	194.95	177.15	177.15	180.15	180.15
8. Lottery	79.95	79.95	79.95	85.95	85.95
TOTALS	1,052.08	1,023.13	1,023.13	1,090.13	1,090.13

(4) All positions are State Operations unless otherwise specified

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1. Individual Income Tax Reductions

The Governor recommends decreasing individual income tax rates for the first three income tax brackets, reducing the current 4.6 percent, 6.15 percent and 6.5 percent rates to 4.5 percent, 5.94 percent and 6.36 percent, respectively. The fiscal impact is an estimated decrease in tax revenue of \$172.6 million in FY14 and \$170.6 million in FY15.

2. Tax Fraud Enforcement Expansion

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	4,257,400	13.00	3,114,000	13.00
TOTAL	0	0.00	0	0.00	4,257,400	13.00	3,114,000	13.00

The Governor recommends increasing the department's expenditure and position authority to provide additional resources to prevent and reduce fraudulent claims related to the Wisconsin individual income tax as well as the Wisconsin earned income tax credit and homestead tax credit. The fiscal impact is an estimated increase in tax revenue of \$14 million in each year of the biennium and an estimated decrease of \$3 million in refundable tax credit payments (see Shared Revenue and Tax Relief, Item #1). The Governor also recommends expanding the range of fraudulent tax filings subject to criminal and civil penalties to include fraudulent and negligent claims of refundable tax credits. The Governor further recommends granting the department the authority to prohibit fraudulent or reckless claimants of the homestead tax credit or earned income tax credit from claiming the credits for 2 years in the case of reckless claims and 10 years in the case of fraudulent claims. In addition, the Governor recommends enhancing the ability of state agencies to share information related to taxpayers to better coordinate efforts to defeat tax fraud.

3. Debt Collection Efficiencies

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	739,300	15.00	950,700	15.00
TOTAL	0	0.00	0	0.00	739,300	15.00	950,700	15.00

The Governor recommends increasing expenditure and position authority to create debt collection efficiencies by: (a) passing the cost of participating in the Internal Revenue Service tax refund offset program to debtors in the program; (b) creating a debt collection hierarchy for applying refunds on all certified debts collected by the department on behalf of other state agencies; (c) offsetting motor vehicle fuel tax refunds against outstanding state and municipal tax and nontax debt; (d) providing additional resources to collect delinquent taxes; (e) expanding the state's tax refunds offset program to include outstanding nontax debt obligations in other states with reciprocal agreements; (f) authorizing the use of tax collection tools for delinquent telephone and utility tax collection; (g) expanding the department's authority to write off uncollectible taxes; (h) allowing a continuous levy on property; and (i) clarifying the department's available tools to collect delinquent sales and use taxes. The fiscal impact is an estimated increase in tax revenue of \$6.8 million in FY14 and \$13.1 million in FY15.

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4. Federal Audit Reports Enforcement

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	1,578,100	33.00	1,975,300	33.00
TOTAL	0	0.00	0	0.00	1,578,100	33.00	1,975,300	33.00

The Governor recommends providing additional position and expenditure authority to enhance enforcement and processing of federal audit reports that may result in adjustments to Wisconsin income tax returns filed. The fiscal effect is an increase in tax collections of \$7 million in FY14 and \$28.8 million in FY15.

5. College Tuition Income Threshold Indexing

The Governor recommends adopting the annual indexing for inflation of the income thresholds used in calculating the Wisconsin college tuition deduction. The fiscal impact is an estimated reduction in tax revenue of \$670,000 in FY14 and \$1,530,000 in FY15.

6. Disabled Veterans Employment Credit Continuation

The Governor recommends extending the disabled veterans employment tax credit program. The Governor also recommends annual reports to the Joint Committee on Finance on the impact of the tax credits on unemployed veterans in the state and the number and type of businesses claiming the credit. The fiscal effect remains at a \$2 million reduction in tax collections in FY14 and \$2.4 million reduction in FY15.

7. Internal Revenue Code Updates

The Governor recommends updating Wisconsin Statutes to conform with changes made to the federal Internal Revenue Code. The net impact of these changes is an increase in tax revenue of \$15.5 million in FY14 and \$18.2 million in FY15. The Governor also recommends clarifying that the state individual income tax deduction for medical care insurance may not be claimed for any amount that is paid for with premium assistance credits under the Affordable Care Act.

8. Biogas Energy Systems Property Tax Exemption

The Governor recommends expanding the existing solar energy system and wind energy system personal property tax exemption to include biogas energy systems, beginning with 2014 property tax assessments. See Shared Revenue and Tax Relief, Item #4.

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9. Lottery Administration

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	266,800	6.00	335,400	6.00
TOTAL	0	0.00	0	0.00	266,800	6.00	335,400	6.00

The Governor recommends increasing the department's expenditure and position authority to improve lottery administration and performance. The Governor also recommends allowing a lottery prize winner's estate the option to cash out a prize annuity as a lump sum payment in the event of an annuitant's death. See Shared Revenue and Tax Relief, Item #12.

10. Lottery Sum Sufficient Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	3,656,800	0.00	3,656,800	0.00	5,286,100	0.00	5,286,100	0.00
TOTAL	3,656,800	0.00	3,656,800	0.00	5,286,100	0.00	5,286,100	0.00

The Governor recommends increasing the sum sufficient appropriations to reflect the impact of lottery sales projections.

11. Sales Tax Administration Efficiencies

The Governor recommends modifying various provisions to improve sales and use tax administration: (a) clarify the tax treatment of personal property provided free of charge with purchase of services; (b) clarify the definition of "custom farming services" to include services performed by veterinarians on farm livestock and farm work stock; (c) provide a technical correction related to the dry cleaning fee to clarify the tax treatment of the "sales price"; (d) increase the statutory thresholds for annual and quarterly sales tax filing; (e) allow sales tax filers who receive tax exemptions certificates after reporting taxable purchases to file amended tax returns or claim deductions on subsequent returns within the same taxable year; and (f) clarify the time limit for filing sales and use tax refund claims. The combined fiscal effect is a \$150,000 reduction in annual tax collections in FY14 and FY15.

12. Streamlined Sales and Use Tax Agreement Updates

The Governor recommends the following changes to maintain and improve compliance with Streamlined Sales and Use Tax Agreement (SSUTA) provisions: (a) clarify the definitions of "sales price" and "purchase price" for taxes imposed on retailers, to clarify which taxes may be passed on to consumers; (b) correct a technical typographical error in the definition of "prepaid wireless calling service"; and (c) make technical changes to the definitions of "prosthetic device," "prepared food," "medicines," "direct mail" and "place of primary use" to clarify tax treatment, improve consistency and conform to SSUTA standards.

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13. Lump Sum Property Sales Tax Exemption

The Governor recommends creating a sales tax exemption for personal property and taxable services sold by a contractor as part of a lump sum contract if the total sales price of all such items is less than 10 percent of the total amount of the lump sum contract. The fiscal impact is an estimated reduction in tax revenue of \$460,000 in FY14 and \$580,000 in FY15.

14. Advertising and Promotional Direct Mail Sales Tax Exemption

The Governor recommends expanding the advertising and promotional direct mail sales tax exemption to include services resulting in advertising and promotional direct mail in order to provide consistent tax treatment for direct mailing products, advertising catalogs and mailing envelopes.

15. Qualified Research Sales Tax Exemption

The Governor recommends expanding the sales and use tax exemption for property used in qualified research and development activities to include qualified research performed on behalf of a member of a combined group, provided at least one member of the group is engaged in manufacturing or biotechnology in the state. The provision is expected to minimally decrease annual tax revenue.

16. Disregarded Entities Expansion

The Governor recommends expanding the types of taxes under which single-owner entities are disregarded to include local expo taxes and rental vehicle fees.

17. Cigarette Regulation Updates

The Governor recommends defining organizations that operate roll-your-own cigarette rolling machines for public use as cigarette manufacturers. The Governor also recommends studying the use of additional cigarette stamping methods. The fiscal impact from the change in regulation of roll-your-own tobacco machines is an estimated increase in tax revenue of \$1.4 million in FY14 and FY15.

18. Capital Gains Deferral and Exclusion Program Transfer

The Governor recommends modifying current law to transfer administration of the capital gains exclusion and capital gains deferral programs from the Wisconsin Economic Development Corporation to the department and make various technical corrections. The Governor also recommends consolidating the long-term capital gains deferral related to qualified new business ventures and the long-term capital gains deferral related to qualified Wisconsin businesses into a single deferral, and to permit the department to register qualified Wisconsin businesses. See Wisconsin Economic Development Corporation, Item #5.

19. Electronic Medical Records Credit Sunset

The Governor recommends modifying current law to sunset the electronic medical records tax credit to health care provider claims made before December 31, 2013. The fiscal impact is an increase in tax revenue of \$5 million in FY15.

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20. Reliance on Past Audits Provision

The Governor recommends modifying provisions to allow a taxpayer to avoid liability on a tax issue in a current audit determination when the tax issue is the same issue in a prior audit determination, with exceptions. The Governor also recommends modifying provisions to update the definitions related to reliance on published guidance. The provision is expected to decrease tax collections in FY14 and FY15; annual revenue loss will fluctuate based on audit selection.

21. Departmental Efficiencies

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-11,000	0.00	-11,000	0.00
TOTAL	0	0.00	0	0.00	-11,000	0.00	-11,000	0.00

The Governor recommends improving departmental efficiencies by updating Wisconsin statutes to: (a) permit collection of motor vehicle fuel taxes and petroleum inspection fees at an airport's primary storage facilities rather than on disbursements; (b) permit the department to issue property levy receipts to financial institutions in a manner prescribed by the department; and (c) modify the due date by which municipal assessors must report the full value of all tax exempt computers to the department from May 1 to the second Monday in June.

22. Minor Transfers Between Appropriations

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-88,200	-1.00	-88,200	-1.00	-88,200	-1.00	-88,200	-1.00
PR-O	67,700	1.00	67,700	1.00	67,700	1.00	67,700	1.00
PR-S	-29,500	0.00	-31,500	0.00	-29,500	0.00	-31,500	0.00
SEG-O	50,000	0.00	52,000	0.00	50,000	0.00	52,000	0.00
TOTAL	0	0.00	0	0.00	0	0.00	0	0.00

The Governor recommends making minor transfers between appropriations in order to align department programs with the correct appropriations.

23. Technical Modifications

The Governor recommends modifying the funding related to a project position salary to correct an existing error. The Governor also recommends reorganizing the Divisions of Technology Services and State and Local Finance to align funding and positions with the department's goals.

Revenue

24. Red Cross Income Tax Checkoff Modifications

The Governor recommends modifying the Red Cross income tax checkoff program to permit the department, rather than the Department of Health Services, to directly transfer the proceeds of the checkoff to the Wisconsin chapter of the American Red Cross for its Wisconsin Disaster Relief Fund. See Miscellaneous Appropriations, Item #5, and Department of Health Services, Item #36.

25. Permanent GPR Reductions

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-4,440,200	-28.95	-4,440,200	-28.95	-4,440,200	-28.95	-4,440,200	-28.95
TOTAL	-4,440,200	-28.95	-4,440,200	-28.95	-4,440,200	-28.95	-4,440,200	-28.95

The Governor recommends reducing funding to create additional efficiencies and balance the budget.

26. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY14		FY15		FY14		FY15	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-3,817,900	0.00	-3,725,100	0.00	-3,817,900	0.00	-3,725,100	0.00
PR-O	-46,300	0.00	-21,100	0.00	-46,300	0.00	-21,100	0.00
PR-S	34,600	0.00	36,700	0.00	34,600	0.00	36,700	0.00
SEG-O	150,200	0.00	179,100	0.00	150,200	0.00	179,100	0.00
TOTAL	-3,679,400	0.00	-3,530,400	0.00	-3,679,400	0.00	-3,530,400	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$1,580,200 in each year); (b) full funding of continuing position salaries and fringe benefits (-\$2,382,000 in each year); (c) reclassifications and semiautomatic pay progression (\$138,800 in FY14 and \$172,500 in FY15); (d) full funding of lease and directed move costs (\$144,000 in FY14 and \$259,300 in FY15); and (e) minor transfers within the same alpha appropriation.

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ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Revenue.

Decision Item	Source of Funds	FY14		FY15	
		Dollars	Positions	Dollars	Positions
27. Add Definition of "Person" to Chapters 78, 139 and 168, Wis. Stats.	GPR	0	0.00	0	0.00
28. Charge Interest on Withholding Tax Personal Liability Assessments	GPR	0	0.00	0	0.00
29. Confidentiality of Uncashed Refund Checks	GPR	0	0.00	0	0.00
30. Due Date of Liquor License Information from Clerks	GPR	0	0.00	0	0.00
31. Exception to Penalty for Copies of Vital Records	GPR	0	0.00	0	0.00
32. Homestead Credit Qualification	GPR	0	0.00	0	0.00
33. Increase Fee to Obtain Net Tax	GPR	0	0.00	0	0.00
34. Distribution of Fermented Malt Beverages	GPR	0	0.00	0	0.00
35. Three Tier Beer Law Amendments	PR-O	0	0.00	0	0.00
36. Update Motor Fuel Definition of Bulk Plant in Motor Fuel Statutes	GPR	0	0.00	0	0.00
37. Prize Claim Clarification	SEG-O	0	0.00	0	0.00
38. Changes to Payment of Interest for Refunds Resulting from Refundable Credits	GPR	0	0.00	0	0.00
39. Marriage Penalty Reduction Options	GPR	0	0.00	0	0.00
40. Repeal Woodland Tax Law	SEG-O	0	0.00	0	0.00
41. Modify Property Tax Publication Requirements	GPR	0	0.00	0	0.00
42. Real Estate Transfer Fee - Owners of Record and Marital Property Law	GPR	0	0.00	0	0.00
43. Limitation on Earned Income Credit Qualification	GPR	0	0.00	0	0.00
44. MC-500 Merger/Conversion - Delete Filing Requirement	GPR	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	GPR	0	0.00	0	0.00
	PR-O	0	0.00	0	0.00
	SEG-O	0	0.00	0	0.00