

Rep. Rodriguez: Budget motion supports small businesses

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Contact: Rep. Jessie Rodriguez (608) 266-0610

MADISON – Rep. Jessie Rodriguez (R-Oak Creek) praised her colleagues on the Joint Finance Committee for approving a motion on the final day of budget deliberation that requires the Department of Revenue to use statistical sampling for sales and use tax audits on businesses over a certain threshold in revenue.

DOR conducts sales and use tax audits throughout the state every year to ensure businesses are in compliance with state tax laws. Depending on the size of the business and sales, audits can take months to complete creating an administrative burden and excessive costs for small businesses with limited resources.

“Wisconsin has thousands of pages of rules and red tape that businesses large and small have to navigate every year creating a substantial burden and stifling job growth,” said Rodriguez. “This motion creates certainty for the small businesses that help support our communities throughout the state.”

The motion calls for the use of statistical sampling for certain small and medium-sized businesses. The process requires auditors to randomly select a sample from all available sale records and use probability theory to analyze the results. Heralded by accounting experts, statistical sampling eliminates unintentional bias and is likely to reduce cost for the state.

“Going forward many small businesses will be able to prove they are complying with state tax law without having to take on the costs associated with massive audits that are simply unnecessary,” said Rodriguez.

“Small businesses are the backbone in many communities throughout Wisconsin.

This proposal demonstrates that we are committed to helping small businesses grow and support our local economy.”