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# Budget Briefs

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## TAX DELINQUENCY AND OCCUPATIONAL LICENSES

The 1998 budget adjustment act (1997 Wisconsin Act 237), passed by the legislature and signed by Governor Tommy Thompson on June 2, 1998, expands the authority of state agencies to deny, suspend or revoke various professional credentials, occupational licenses and other certifications if the applicant owes delinquent state taxes. The law first applies to license and credential applications received on January 1, 1999.

### LICENSES AFFECTED BY ACT 237

1995 Wisconsin Act 27 (the 1995 budget act) required the Department of Regulation and Licensing (DORL) to deny an application for renewal of a professional or occupational license or credential issued by the department if the applicant was delinquent in the payment of state income taxes; estate taxes; sales and use taxes; and any associated penalties, interest, fees and costs.

Act 237 expands the law to cover a wide variety of licenses, credentials, permits, approvals, registrations and certifications. An applicant must provide an issuing agency a social security number or, in the case of a business, a federal employer identification number. The agency will request the Department of Revenue (DOR) to certify whether the person or business is liable for delinquent taxes. If the applicant owes back taxes, the licensing agency must deny the application and/or suspend or revoke the current license. However, the law requires the licensing department to consider whether suspensions, revocations or denials will have an adverse impact on the environment or the public's health, safety, or welfare.

State agencies and occupations affected by Act 237 include:

**Department of Regulation and Licensing.** Accountants, architects, engineers, surveyors, auctioneers, barbers, cosmetologists, chiropractors, dentists, funeral directors, medical doctors, physician assistants, occupational and physical therapists, dietitians, podiatrists, nurses, optometrists, pharmacists, psychologists, real estate appraisers, veterinarians, social workers, marriage and family therapists or professional counselors.

**Department of Natural Resources.** Taxidermists, wholesale fish dealers, bait dealers, hunting and fishing guides, commercial fishers, fish farmers, game bird or animal farmers, deer farmers, fur farmers, clambers, wild rice dealers, well drillers and pump installers, operators of water systems and wastewater treatment plants, septage servicers, operators of solid waste disposal facilities, hazardous waste transporters, metallic mining drillers and explorers, or those engaged in oil and gas exploration and production.

**Department of Health and Family Services.** Operators of day care centers, group homes, shelter care facilities, foster homes or treatment foster homes, or child welfare agencies.

**Department of Public Instruction.** Public school teachers and administrators and other licensed school personnel.

Other occupations subject to Act 237 include lobbyists; operators of hospitals, mental health or alcohol and drug abuse treatment facilities; motor vehicle sales, salvage, and auction dealers; mobile home dealers; mortgage bankers and loan originators, collection agents, those engaged in lead hazard inspection or reduction or asbestos abatement, private driving school

instructors; investment brokers or advisors; and insurance agents and insurance plan administrators. Attorneys will be subject to the law if the Wisconsin Supreme Court consents.

### **HEARINGS AND APPEALS**

When a licensing agency denies, suspends or revokes a license, it must mail a notice of suspension, revocation or denial to the applicant, stating the facts that warrant the action and giving notification of the right to file, within 30 days, a written request with the DOR to have the certification of tax delinquency reviewed at a hearing. The hearing is limited to questions of mistaken identity and the payment of the taxes in question. A person may seek judicial review if a licensing agency affirms its denial, suspension or revocation. If a person pays the delinquent taxes, he or she may request a nondelinquency certificate from the DOR to permit issuance or renewal of the license.

### **FOR MORE INFORMATION**

For copies of the relevant sections of Act 237, contact the Legislative Reference Bureau at (608) 266-0342. For further information about the program, contact the Department of Revenue at (608) 267-1344 or the individual licensing department.