



## 1995 SENATE BILL 543

February 14, 1996 - Introduced by Senators WEEDEN, WINEKE, DRZEWIECKI, BUETTNER and FARROW, cosponsored by Representatives HOVEN, GARD, BRANCEL, LEHMAN, KLUSMAN, WOOD, SCHNEIDER, GUNDERSON, GOETSCH, HANSON and UNDERHEIM. Referred to Committee on State Government Operations and Corrections.

1     **AN ACT to amend** 76.39 (2), 76.39 (3) and 76.39 (3a) of the statutes; **relating to:**  
2     the tax on car line companies.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a tax is imposed on car line companies (companies that lease railroad cars to railroads). That tax is based on the previous year's receipts and is paid on an estimated basis on May 10 and November 10 of the previous year. On the following May 10, a settlement is made between this state and the car line company based on the actual receipts for the previous year. Under this bill, the tax is paid in 2 instalments. One is due on September 10 of the previous year and the other on April 15 of the year to which the tax applies.

The bill also reduces the rate for the tax on car line companies from 6% of gross earnings in this state to 3% of gross earnings in this state.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3           **SECTION 1.** 76.39 (2) of the statutes is amended to read:  
4           76.39 (2) There is levied annually a gross earnings tax in lieu of all property  
5           taxes on the car line equipment of a car line company equal to ~~6 per cent~~ 3% of the  
6           gross earnings in this state. Every railroad company operating in this state shall,  
7           upon making payment to each car line company for use of its cars, withhold ~~6 per cent~~

1     3% of the amount constituting the gross earnings in this state of such car line  
2     company.

3             **SECTION 2.** 76.39 (3) of the statutes is amended to read:

4             76.39 (3) Every railroad company operating in this state shall file annually  
5     with the department, on or before ~~March~~ April 15, on a form prepared by the  
6     department, a true and accurate statement of all rentals paid to each car line  
7     company during the previous calendar year and shall remit to the department the  
8     amount of the tax required to be withheld under sub. (2). Every car line company,  
9     which during the previous calendar year has received gross earnings in this state  
10    from a source other than a railroad company operating in this state, shall, on or  
11    before ~~March~~ April 15, on a form prepared by the department, file with the  
12    department a true and accurate statement of such gross earnings in this state and  
13    the name of the company from which received and shall remit to the department the  
14    amount of the tax imposed under sub. (2) on such gross earnings in this state. The  
15    payment dates provided for in sub. (3a) shall apply. Upon written request received  
16    by the department before ~~March~~ April 15, the department may grant an extension  
17    of not to exceed 30 days for the filing of the report and the payment of the taxes levied  
18    in this section. If any railroad company or car line company fails to file such report  
19    when due, or as extended by the department, unless it is shown that the failure is  
20    due to reasonable cause and not due to wilful neglect, there shall be added to the  
21    amount required to be shown as gross earnings tax on the report 5% of the amount  
22    thereof if the failure is for not more than one month, with an additional 5% for each  
23    additional month or fraction thereof during which the failure continues, not  
24    exceeding 25% in the aggregate. If any railroad company or car line company fails  
25    to pay all taxes due within the time prescribed or as extended by the department, the

1 unpaid taxes shall be delinquent, and shall be subject to interest under sub. (4). All  
2 taxes, late filing fees, penalties and interest shall be deposited in the general fund.

3 **SECTION 3.** 76.39 (3a) of the statutes is amended to read:

4 76.39 (3a) ~~Tax~~ The tax due under this section shall be paid to the department  
5 ~~on an estimated basis.~~ Payments of semiannual instalments of the total estimated  
6 liability for the calendar year shall be due on or before ~~May 10 and November~~  
7 September 10 of the year prior to the assessment. ~~On every May 10 each railroad~~  
8 ~~company and car line company shall pay any additional amounts due or be credited~~  
9 ~~for any overpayment based upon the actual liability of the current year and on April~~  
10 15 of the year of the assessment. If any railroad company or car line company fails  
11 to make semiannual payments of pay on or before September 10 at least ~~55%~~ 50%  
12 of the tax liability for the current calendar year or 50% of the tax liability for the  
13 subsequent calendar year, ~~any amounts~~ the amount not paid when due shall become  
14 is delinquent and shall be is subject to interest under sub. (4) (c). If any railroad  
15 company or car line company fails to pay on or before April 15 the difference between  
16 the current year's assessment and the amount paid toward that assessment, the  
17 amount not paid is delinquent and is subject to interest under sub. (4) (c). Companies  
18 with a tax liability under this section of less than \$2,000 are not required to make  
19 semiannual payments but shall pay the full amount of taxes due on or before ~~May~~  
20 April 15 of the year of the assessment.

21 **SECTION 4. Initial applicability.**

22 (1) DEADLINES. The treatment of section 76.39 (3) and (3a) of the statutes first  
23 applies to taxes based on the gross earnings of 1996.

