



2003 SENATE BILL 254

September 17, 2003 - Introduced by Senators LEIBHAM, KEDZIE, KANAVAS, A. LASEE, ROESSLER and REYNOLDS, cosponsored by Representatives JENSEN, ZIEGELBAUER, PETTIS, HUEBSCH, GUNDERSON, SUDER, OWENS, LADWIG, STONE, HINES, J. WOOD, McCORMICK, VRAKAS, NASS, NISCHKE and KREIBICH. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to amend** 77.51 (5); and **to create** 77.54 (47) of the statutes; **relating**
2 **to:** a sales tax and use tax exemption for Internet access services.

Analysis by the Legislative Reference Bureau

This bill creates a sales tax and use tax exemption for Internet access services.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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

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

3 **SECTION 1.** 77.51 (5) of the statutes is amended to read:
4 77.51 (5) For purposes of subs. (13) (e) and (f) and (14) (L) and s. 77.52 (2m)
5 “~~incidental~~” “Incidental” means depending upon or appertaining to something else
6 as primary; something necessary, appertaining to, or depending upon another which
7 is termed the principal; something incidental to the main purpose of the service.
8 Tangible personal property transferred by a service provider is incidental to the

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1 service if the purchaser's main purpose or objective is to obtain the service rather
2 than the property, even though the property may be necessary or essential to
3 providing the service.

4 **SECTION 2.** 77.54 (47) of the statutes is created to read:

5 77.54 (47) (a) In this subsection:

6 1. "Internet" means, collectively, the computer and telecommunications
7 facilities, including equipment and operating software, that comprise the
8 interconnected worldwide network of networks that use the transmission control
9 protocol-Internet protocol, or any predecessor or successor protocols to that protocol,
10 to communicate information by wire or radio.

11 2. "Internet access service" means providing a connection to the Internet,
12 including providing communication or navigation software, an electronic mail
13 address, electronic mail software, news headlines, space for a Web site, or Web site
14 services that are incidental to providing that connection, but excluding telephone
15 services. "Internet access service" does not include other telecommunications
16 services and cable television system services that are conveyed via the Internet.

17 (b) The gross receipts from the sale and use of Internet access services.

18 **SECTION 3. Effective date.**

19 (1) This act takes effect on July 1, 2005.

20 (END)