



## 2005 ASSEMBLY BILL 508

June 23, 2005 – Introduced by Representatives BERCEAU, ALBERS, BLACK, SHERIDAN, GRIGSBY, LEHMAN, TOLES, POCAN and KESSLER, cosponsored by Senators COGGS, CARPENTER and LASSA. Referred to Joint Committee on Finance.

1     **AN ACT** *to amend* chapter 77 (title); and *to create* 25.77 (7) and subchapter XIII  
2             of chapter 77 [precedes 77.997] of the statutes; **relating to:** imposing a gross  
3             receipts tax on large retailers to pay for health care benefits provided by the  
4             state.

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### *Analysis by the Legislative Reference Bureau*

This bill imposes a tax on every retailer engaged in business in this state who has gross receipts from the sale of tangible personal property or taxable services exceeding \$20,000,000 in the taxable year from any location in this state and who pays health care costs for the retailer's employees in an amount that represents less than 10 percent of the retailer's payroll, if the annual compensation that the retailer pays to each of the retailer's entry-level employees who hold a full-time job is less than \$22,000 or if, as averaged for the taxable year, more than 25 percent of the retailer's employees are not holding full-time jobs. The revenue generated by the tax is deposited into the Medical Assistance trust fund.

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:*

5             **SECTION 1.** 25.77 (7) of the statutes is created to read:

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1           25.77 (7) All moneys received under s. 77.9972 (3).

2           **SECTION 2.** Chapter 77 (title) of the statutes is amended to read:

3                                       **CHAPTER 77**  
4                                       **TAXATION OF FOREST CROPLANDS;**  
5                                       **REAL ESTATE TRANSFER FEES;**  
6                                       **SALES AND USE TAXES; COUNTY**  
7                                       **AND SPECIAL DISTRICT SALES AND**  
8                                       **USE TAXES; MANAGED FOREST LAND;**  
9                                       **TEMPORARY RECYCLING SURCHARGE;**  
10                                      **LOCAL FOOD AND BEVERAGE TAX;**  
11                                      **LOCAL RENTAL CAR TAX; PREMIER**  
12                                      **RESORT AREA TAXES; STATE RENTAL**  
13                                      **VEHICLE FEE; DRY CLEANING FEES;**  
14                                      **LARGE RETAILER TAX**

15           **SECTION 3.** Subchapter XIII of chapter 77 [precedes 77.997] of the statutes is  
16 created to read:

17                                      **CHAPTER 77**  
18                                      **SUBCHAPTER XIII**  
19                                      **LARGE RETAILER TAX**

20           **77.997 Definitions.** In this subchapter:

21           **(1)** “Compensation” includes all of the following:

22           (a) Wages or salary.

23           (b) Paid leave, including vacation and sick time.

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1 (c) Insurance, including employer contributions for health, life, disability, and  
2 dental insurance.

3 (d) Retirement plan contributions or payments, including employer  
4 contributions required under federal law and employer contributions to employee  
5 savings, flexible spending accounts, and similar plans.

6 (e) Any benefits that are similar to the benefits specified under pars. (a) to (d),  
7 as determined by the department of revenue.

8 (2) "Full-time job" means a regular, nonseasonal, nonmanagement,  
9 nonprofessional full-time position in which an individual, as a condition of  
10 employment, is required to work at least 2,080 hours per year, including paid leave  
11 and holidays.

12 (3) "Gross receipts" has the meaning given in s. 77.51 (4).

13 (4) "Retailer" has the meaning given in s. 77.51 (13).

14 (5) "Retailer engaged in business in this state" has the meaning given in s.  
15 77.51 (13g).

16 (6) "Tangible personal property and taxable services" means tangible personal  
17 property and services that are subject to the taxes imposed under subch. III.

18 (7) "Taxable year" has the meaning given in s. 71.22 (10).

19 **77.9971 Imposition.** (1) A tax is imposed on every retailer engaged in  
20 business in this state who has gross receipts from the sale of tangible personal  
21 property or taxable services exceeding \$20,000,000 in the taxable year from any  
22 location in this state and who pays health care costs for the retailer's employees in  
23 the taxable year in an amount that represents less than 10 percent of the amount of  
24 the retailer's payroll in the taxable year, if the compensation that the retailer pays  
25 in the taxable year to each of the retailer's entry-level employees who hold a

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1 full-time job is less than \$22,000 or if, as averaged for the taxable year, more than  
2 25 percent of the retailer's employees are not holding full-time jobs.

3 (2) The rate of the tax imposed under sub. (1) is 1 percent of the retailer's gross  
4 receipts, as described in sub. (1), for gross receipts exceeding \$20,000,000, but not  
5 \$30,000,000, 1.5 percent of the retailer's gross receipts, as described in sub. (1), for  
6 the gross receipts exceeding \$30,000,000, but not \$40,000,000, and 2 percent of the  
7 retailer's gross receipts, as described in sub. (1), for the gross receipts exceeding  
8 \$40,000,000.

9 **77.9972 Administration.** (1) The tax imposed under this subchapter is due  
10 on the date on which the person's return under ch. 71 is due without regard to any  
11 extension.

12 (2) The department of revenue shall administer the tax under this subchapter  
13 and may take any action, conduct any proceeding, and impose interest and penalties.

14 (3) The revenue from the tax collected under this section, including interest  
15 and penalties, shall be deposited into the Medical Assistance trust fund.

16 (4) Sections 71.74 (1) to (3), (6), (7), and (9) to (15), 71.75 (1), (2), (4), (5), and  
17 (6) to (10), 71.76, 71.77, 71.78 (1) to (8), 71.80 (1) (a) to (d), (3), (3m), (6), (8) to (12),  
18 (14), and (18), 71.87, 71.88, 71.89, 71.90, 71.91, and 71.93, as they apply to the taxes  
19 under ch. 71, apply to the tax imposed under this subchapter.

20 **SECTION 4. Initial applicability.**

21 (1) This act first applies to taxable years beginning on January 1, 2006.

22 (END)