

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/25/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - corp. inc. and fran.

Extra Copies:

Pre Topic:

SDC:.....Walter - CN#2143,

Topic:

No corporate tax nexus if only storing inventory to be sold to state company for state manufacturing

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 06/26/99	jgeller 06/27/99		_____			
/1	jkreye 06/28/99	chanaman 06/29/99	hhagen 06/28/99	_____	lrb_docadmin 06/28/99		
/2			hhagen 06/29/99	_____	lrb_docadmin 06/29/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Bill

Received: 12/14/98

Received By: traderc

Wanted: As time permits

Identical to LRB:

For: Administration-Budget-in

By/Representing: Grinde

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: Agriculture - soil and water

Extra Copies:

Pre Topic:

DOA:.....Grinde -

Topic:

Increase DATCP bonding for soil and water resource management

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 12/14/98	jgeller 12/14/98	lpaasch 12/15/98	_____	lrb_docadmin 12/15/98		S&L

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/25/99**

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For: **Senate Democratic Caucus**

By/Representing: **Walter**

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May Contact:

Alt. Drafters:

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/?	jkreye 06/26/99	ygeller 06/27/99		<u>WJ</u> <u>CPN</u>			
/1			hhagen 06/28/99		lrb_docadmin 06/28/99		

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<END>

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1?	jkreye	1/1 6/27 jlg		cmh wlj			
		cmh 6/28 1/2					

FE Sent For:

<END>

yes

Agency: General Fund Taxes

caucus number 2143

duplicate flag:
duplicate with:

Other reference numbers: Paper 113	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Vendor Managed Inventory. Business would not be subject to nexus (corporate taxation) in Wisconsin if only tie is storage of inventory to be sold to a Wisconsin company for use in manufacturing in the state. Fiscal impact unknown.

other notes **Modifications to above: Modified to be narrowly applicable at a cost of \$750,000 over the biennium. See attached language.**

drafting instructions: See above and modification.

more instructions:

caucus number 2812

duplicate flag:
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Adopt provisions of LFB memo re: local government funding, Property Tax Rent Credit expansion, Homestead expansion, Lottery Credit expansion, delay of the computer tax exemption and the deletion of the Jion Finance Committee's Income Tax Package.

other notes

drafting instructions:

more instructions:

Please call Lance with questions

2

Agency: **General Fund Taxes**

Number of Amendments: 2

Ron got back with a revised fiscal #. Based on only being applicable only to companies with single parcels in a municipality of between \$10-11 million of assess valuation on the date of enactment, the fiscal note is \$250,000 1999-2000 and \$500,000 2000-01....\$750,000 over the biennium.

2143

He also said he thought this would end in court since it's such a narrow class of businesses....FYI

talk to Ron
what parcel?
whose parcel?



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb12697

JK:.....

m 6-26-99

D-NOTE

JLg

SDC:.....Walter - CN#2143, No corporate tax nexus if only storing inventory to be sold to state company for state manufacturing

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SOON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 873, line 21: after that line insert:

3 "SECTION 1722yc. 71.23 (3) (d) of the statutes is created to read:

4 71.23 (3) (d) The storage for any length of time in this state in or on property
5 owned by a person, other than the foreign corporation, of the foreign corporation's
6 tangible personal property, if the possession of the tangible personal property is
7 transferred to another person in this state who uses the tangible personal property
8 for fabricating, processing, manufacturing or printing in this state and if the foreign
9 corporation's tangible personal property is stored in or on a parcel of property that

1. has an assessed value, for property tax purposes, of at least \$10,000,000 but no more
2. than \$11,000,000.”.

3. **2.** Page 1599, line 17: after that line insert:

4. *init app* “(22dd) ACTIVITIES THAT DO NOT CREATE NEXUS. The treatment of section 71.23
5. (3) (d) of the statutes first applies to taxable years beginning on January 1 of the year
6. in which this subsection takes effect, except that if this subsection takes effect after
7. July 31 the treatment of section 71.23 (3) (d) of the statutes first applies to taxable
8. years beginning on January 1 of the year following the year in which this subsection
9. takes effect.”.

10

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb12697dn

JK:...

JLg

Please review this draft carefully to ensure that it is consistent with your intent. It is not clear from the instructions what parcels of property must be valued at the suggested amounts or who owns such parcels.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: Joseph.Kreye@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1269/1dn
JK:jlg:ksh

June 28, 1999

Please review this draft carefully to ensure that it is consistent with your intent. It is not clear from the instructions what parcels of property must be valued at the suggested amounts or who owns such parcels.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: Joseph.Kreye@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1269/1

JK:jlg:ksh

CMM

in 6-28-99

SDC:.....Walter – CN#2143, No corporate tax nexus if only storing inventory to be sold to state company for state manufacturing

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 873, line 21: after that line insert:

3 “SECTION 1722yc. 71.23 (3) (d) of the statutes is created to read:

4 71.23 (3) (d) The storage for any length of time in this state in or on property

5 owned by a person, other than the foreign corporation, of the foreign corporation’s

6 tangible personal property, if the ~~possession of this~~ tangible personal property is

7 ~~transferred to~~ *used in this state by* another person ~~in this state who uses the tangible personal property~~

8 for fabricating, processing, manufacturing or printing ~~in this state~~ and if the foreign

9 ~~corporation’s tangible personal property is stored in or~~ on a parcel of property ~~that~~

the in or on which the tangible personal property is stored and

if the parcel of property

1. has an assessed value, for property tax purposes, of at least \$10,000,000 but no more
2 than \$11,000,000." *on January 1, 1999*

3 **2.** Page 1599, line 17: after that line insert:

4 "(22dd) ACTIVITIES THAT DO NOT CREATE NEXUS. The treatment of section 71.23

5 (3) (d) of the statutes first applies to taxable years beginning on January 1 ~~of the year~~

6 in which this subsection takes effect, except that if this subsection takes effect after

7 July 31 the treatment of section 71.23 (3) (d) of the statutes first applies to taxable

8 years beginning on January 1 of the year following the year in which this subsection

9 takes effect."

10

(END)

2000



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1269/2
JK:jlg&cmh:ksh

SDC:.....Walter - CN#2143, No corporate tax nexus if only storing inventory
to be sold to state company for state manufacturing

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 873, line 21: after that line insert:

3 "SECTION 1722yc. 71.23 (3) (d) of the statutes is created to read:

4 71.23 (3) (d) The storage for any length of time in this state in or on property
5 owned by a person, other than the foreign corporation, of the foreign corporation's
6 tangible personal property, if the tangible personal property is used in this state by
7 another person for fabricating, processing, manufacturing or printing on the parcel
8 of property in or on which the tangible personal property is stored and if the parcel
9 of property has an assessed value, for property tax purposes, of at least \$10,000,000
10 but no more than \$11,000,000 on January 1, 1999."

