


1999 - 2000 LEGISLATURE

1999 ASSEMBLY BILL 441 


September 2, 1999 - Introduced by Representatives Gunderson, Ladwig, Grothman, Pettis, Musser, Klusman, Gundrum, Plouff, Kedzie, Gronemus, Nass, Kelso, Hasenohrl, Owens, Olsen, Sykora, La Fave, Wasserman, Petrowski, F. Lasee and Seratti, cosponsored by Senators Lazich and Roessler. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act** to amend 77.52 (1), 77.52 (2) (intro.) and 77.53 (1); and to create 77.51
Pg1Ln2 (18g) and 77.52 (2p) of the statutes; relating to: reducing the sales tax rate and
Pg1Ln3 the use tax rate.


Analysis by the Legislative Reference Bureau

AB441 

Under current law, the state imposes a sales tax on all retailers at the rate of 5% of the gross receipts from the sale, lease or rental of tangible personal property and the sale of services. Retailers generally pass on the sales tax to the consumer. Under current law, the state imposes a use tax on all consumers, at the rate of 5% of the sales price, for the consumption, use or storage of goods in this state that the consumer purchases from an out-of-state retailer and the consumption or use of services in this state that the consumer purchases from an out-of-state retailer.

AB441 

Under this bill, the rate of the sales tax is 4.5% of the gross receipts from the sale, lease or rental of tangible personal property and the sale of services. Under the bill, the rate of the use tax is 4.5% of the sales price for the consumption, use or storage of goods in this state that the consumer purchases from an out-of-state retailer and 4.5% for the consumption or use of services in this state that the consumer purchases from an out-of-state retailer.


AB441 

Under the bill, by July 31, 2001, the department of revenue must determine if there is a surplus of unappropriated general purpose revenues, for purposes of the state budget. If there is a surplus of at least \$153,000,000 but less than \$300,000,000, the sales tax and the use tax rates are 4.25% beginning on October 1, 2001. If there is a surplus of at least \$300,000,000, the sales tax and the use tax rates

are 4% beginning on October 1, 2001. If the surplus is less than \$153,000,000, the sales tax and the use tax rates remain at 4.5%.


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:

AB441, s. 1 

Pg2Ln1

Section 1. 77.51 (18g) of the statutes is created to read:

AB441, s. 1 - continued 

Pg2Ln2


Pg2Ln3

Pg2Ln4

Pg2Ln5


Pg2Ln6

77.51 (18g) "Surplus" means the amount obtained by subtracting the department's estimate of the amount of unappropriated general purpose revenues on July 1, 1999, from the department's estimate of the amount of unappropriated general purpose revenues on June 30, 2000, except that neither estimate may include the required general fund balance as described in s. 20.003 (4).

AB441, s. 2 

Pg2Ln7

Section 2. 77.52 (1) of the statutes is amended to read:

AB441, s. 2 - continued 

Pg2Ln8

Pg2Ln9


Pg2Ln10

Pg2Ln11

Pg2Ln12


Pg2Ln13

77.52 (1) For the privilege of selling, leasing or renting tangible personal property, including accessories, components, attachments, parts, supplies and materials, at retail a tax is imposed upon all retailers at the rate of ~~5%~~ 4.5%, except as provided under sub. (2p), of the gross receipts from the sale, lease or rental of tangible personal property, including accessories, components, attachments, parts, supplies and materials, sold, leased or rented at retail in this state.

AB441, s. 3 

Pg2Ln14

Section 3. 77.52 (2) (intro.) of the statutes is amended to read:

AB441, s. 3 - continued 

Pg2Ln15

Pg2Ln16

Pg2Ln17

Pg2Ln18

Pg2Ln19

77.52 (2) (intro.) For the privilege of selling, performing or furnishing the services described under par. (a) at retail in this state to consumers or users, a tax is imposed upon all persons selling, performing or furnishing the services at the rate of ~~5%~~ 4.5%, except as provided under sub. (2p), of the gross receipts from the sale, performance or furnishing of the services.

AB441, s. 4



Pg2Ln20

Section 4. 77.52 (2p) of the statutes is created to read:

AB441, s. 4 - continued



Pg3Ln1

Pg3Ln2

Pg3Ln3

Pg3Ln4

Pg3Ln5

Pg3Ln6

77.52 (2p) By July 31, 2001, the department shall determine the surplus. If the surplus is at least \$153,000,000 but less than \$300,000,000, the rates under subs. (1) and (2) and under s. 77.53 (1) shall be 4.25% beginning on October 1, 2001. If the surplus is at least \$300,000,000, the rates under subs. (1) and (2) and under s. 77.53 (1) shall be 4% beginning on October 1, 2001. The department shall publish any change to the rates occurring as a result of this subsection by August 31, 2001.

AB441, s. 5



Pg3Ln7

Section 5. 77.53 (1) of the statutes is amended to read:

AB441, s. 5 - continued



Pg3Ln8

Pg3Ln9

Pg3Ln10

Pg3Ln11

Pg3Ln12

Pg3Ln13

Pg3Ln14

Pg3Ln15

Pg3Ln16

77.53 (1) Except as provided in sub. (1m) and s. 77.52 (2p), an excise tax is levied and imposed on the use or consumption in this state of taxable services under s. 77.52 purchased from any retailer, at the rate of ~~5%~~ 4.5% of the sales price of those services; on the storage, use or other consumption in this state of tangible personal property purchased from any retailer, at the rate of ~~5%~~ 4.5% of the sales price of that property; and on the storage, use or other consumption of tangible personal property manufactured, processed or otherwise altered, in or outside this state, by the person who stores, uses or consumes it, from material purchased from any retailer, at the rate of ~~5%~~ 4.5% of the sales price of that material.

AB441, s. 6



Pg3Ln17

Section 6. Effective date.

AB441, s. 6 - continued



Pg3Ln18

Pg3Ln19

(1) This act takes effect on July 1, 2000.

(End)