



**STATE BAR
of WISCONSIN**

5302 Eastpark Blvd.
P.O. Box 7158
Madison, WI 53707-7158

SB-346

MEMORANDUM

To: Members of the Joint Committee on Taxation Exemptions
From: Taxation Law Section
Date: March 16, 2000
Re: Assembly Bill 634

The Taxation Law Section is providing this memo to inform members of the Joint Committee on Tax Exemptions of an agreed upon amendment to Senate Bill 346, the companion of AB 634.

The Taxation Law Section supports the efforts of Senator Wirch, Representative Lehman and the Dept. of Revenue in their efforts to create "taxpayer friendly" legislation under Senate Bill 346 and its companion, Assembly Bill 634. The Section appreciates the opportunity to work with legislators and the Dept. Of Revenue on an amendment that addresses several concerns with the original draft of the bill. Agreed upon changes include:

- Sales and Use Tax Provisions— Delete language which would make sales and use tax refunds retroactive to September 1, 1994. The Taxation Law Section was concerned that applying these changes retroactively to situations that were not covered under the original 1994 legislation is unfair. It is inappropriate to hold individuals accountable today for something that was not law at that time. The Taxation Law Section has no objection to applying the changes prospectively.
- Sales and Use Tax Provisions – Extending the time period for compliance with the sales and use tax refunds from 60 to 90 days. SB 236/AB 634 establish a 60 day time period for compliance with this provision. The Taxation Law Section felt 90 days is a more reasonable time period.
- "Exclusively Used" Methodology – Removal of requirement to obtain "prior written approval" to use an alternative method for determining exclusive use. The requirement would have been burdensome and the Taxation Law Section felt more appropriate language would be to allow for other reasonable methods of determining exclusive use but without the requirement for prior written approval.

For more information contact Jenny Boese at the State Bar of Wisconsin at 608-250-6045 or email at jboese@wisbar.org



**SENATE AMENDMENT,
TO 1999 SENATE BILL 346**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 9, line 24: delete lines 24 and 25 and substitute "95% of total use, the
3 percentage to be determined as follows:".

4 **2.** Page 10, line 7: after that line insert:

5 "(c) For any item, by an alternative method that the department of revenue
6 determines reasonably reflects the usage of the item in the taxable year.".

7 **3.** Page 12, line 3: delete "60" and substitute "90".

8 **4.** Page 14, line 12: delete lines 12 to 21.

9 **5.** Page 14, line 24: delete the material beginning with "retroactively" and
10 ending with "1994" on page 15, line 2, and substitute "to notices of refunds or notices
11 of amounts due dated, offsets taken and the discovery of amounts collected
12 erroneously as taxes on the effective date of this subsection even if the notices, offsets
13 and amounts relate to sales that occurred after August 31, 1994".

