

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1741/1dn  
MES:jld:pg

February 15, 2005

Representative Gunderson:

Last session, the Department of Revenue raised a number of points with regard to 2003 SB-449 that you may wish to consider before proceeding with this bill.

DOR recommended that the bill require the claimant to claim the credit within a certain time period after the fire, flood, or natural disaster to preclude someone from claiming a credit for purchases made years after the disaster, claiming that the items were replacing items lost in the disaster.

Last session's SB-449 prorated the credit for part-year residents and nonresidents. This is unusual, because the basis of the credit is Wisconsin sales and use tax paid. Generally, credits based entirely on amounts allocated to Wisconsin are not prorated, so you may wish to remove this provision from the bill.

As drafted, the credit could be claimed for amounts that are reimbursed by insurance proceeds. You may wish to disallow the credit for purchased replacement items that are covered by insurance.

Please let me know if you'd like any changes made to the bill.

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