



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2007 Assembly Bill 138

**Assembly Substitute
Amendment 1**

Memo published: May 29, 2007

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2007 Assembly Bill 138 creates a nonrefundable income and franchise credit in the amount equal to the amount of property taxes paid by a taxpayer on machinery and equipment used primarily in the operation of a restaurant's kitchen to prepare or serve food or beverages. Under the bill, machinery and equipment includes refrigerators and other storage equipment. Under the bill, a restaurant includes pizza delivery establishments, snack bars, beverage bars, takeout food shops, and mobile food services, including mobile snack stands, mobile canteens, and ice cream vendors. Assembly Bill 138 prescribes that the bill would first apply to taxable years beginning on January 1, 2008.

Assembly Substitute Amendment 1 creates a property tax exemption for machinery and equipment used primarily in the operation of a restaurant's kitchen to prepare or serve food or beverages, regardless of whether the machinery or equipment is attached to real property. Under Assembly Substitute Amendment 1, machinery and equipment includes refrigerators and other storage equipment. Under Assembly Substitute Amendment 1, a restaurant includes pizza delivery establishments, snack bars, beverage bars, takeout food shops, and mobile food services, including mobile snack stands, mobile canteens, and ice cream vendors, and any other entity that is required to have a permit under s. 254.64 (1) (a), Stats. Assembly Substitute Amendment 1 prescribes that the bill would first apply to property tax assessments as of January 1, 2008.

Legislative History

Assembly Substitute Amendment 1 was offered by Representative Van Roy on March 29, 2007. The Assembly Committee on Small Business recommended adoption of Assembly Substitute Amendment 1 by a vote of Ayes, 8; Noes, 0; and recommended passage of 2007 Assembly Bill 138, as amended, by a vote of Ayes, 8; Noes, 0; on May 22, 2007.

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