

2011 DRAFTING REQUEST

Bill

Received: 12/21/2010

Received By: jkreye

Wanted: As time permits

Companion to LRB:

For: Scott Fitzgerald (608) 266-5660

By/Representing: dan

May Contact:

Drafter: jkreye

Subject: Tax, Other - sales

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Fitzgerald@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Allow retailers to offer discounts equal to the sales tax

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	jkreye 12/22/2010	kfollett 12/22/2010	mduchek 12/22/2010	_____	mbarman 12/22/2010	mbarman 01/07/2011	

FE Sent For:

<END>

↳ Not Needed

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/?	jkreye	1/15/f 12/22		_____			

FE Sent For:

<END>

**Kreye, Joseph**

**From:** Romportl, Daniel  
**Sent:** Tuesday, December 21, 2010 11:10 AM  
**To:** Kreye, Joseph  
**Subject:** RE: bill draft inquiry

Great, here is what we are looking to do. Please let me know if there is something that I'm missing...

We would like to give retailers the ability to offer discounts equal to the applicable state/county sales tax and promoting the discounts as such.

For instance, under current law, a retailer cannot offer a promotion saying "DVD players on sale for 5.5% off...we'll pay your sales tax!"

Here's the statute regarding sales tax offsetting:

*77.52(4) It is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property or items, property, or goods under s. 77.52 (1) (b), (c), or (d) sold or that if added it, or any part thereof, will be refunded. Any person who violates this subsection is guilty of a misdemeanor.*

Here is a link at DOR, which explains this issue further:

<http://www.revenue.wi.gov/pubs/pb201.pdf> (See page 15 of the publication.) In particular, it looks like "Price includes sales tax" is treated differently than "We'll pay your sales tax".

I am assuming this can be accomplished with a repeal?

Thank you very much in advance,

Dan

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**From:** Kreye, Joseph  
**Sent:** Tuesday, December 21, 2010 10:42 AM  
**To:** Romportl, Daniel  
**Subject:** RE: bill draft inquiry

I am.

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

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**From:** Romportl, Daniel  
**Sent:** Tuesday, December 21, 2010 10:41 AM  
**To:** Kreye, Joseph  
**Subject:** bill draft inquiry

Hi Joseph,

I have a bill drafting request related to the state sales tax. Are you the appropriate person to contact?

Thanks,

***Dan Romportl***  
***Office of Senator Scott Fitzgerald***  
***Senate Republican Leader***  
**608.266.5660**



## 2011 BILL

in Wed 12-22

Gen

SOON

1 AN ACT ...; relating to: allowing retailers the ability to offer discounts equal to  
2 the state and local sales taxes.

### *Analysis by the Legislative Reference Bureau*

Under current law, a retailer may not advertise that any state or local sales tax applicable to a transaction will be assumed or absorbed by the retailer or not added to the price of goods and services. A retailer who violates this prohibition is guilty of a misdemeanor. This bill eliminates the prohibition. Under the bill, a retailer who advertises that the sales tax will be assumed by the retailer or not added to the sales price is still responsible for paying the applicable sales tax.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 SECTION 1. 66.0615 (1m) (f) 2. of the statutes is amended to read:  
4 66.0615 (1m) (f) 2. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3),  
5 (4), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60,  
6 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under  
7 subch. III of ch. 77, apply to the tax described under subd. 1.

**BILL****SECTION 2**

1           **SECTION 2.** 77.52 (4) of the statutes is repealed.

2           **SECTION 3.** 77.982 (2) of the statutes is<sup>✓</sup> amended to read:

3           77.982 (2) Sections 77.51 (1f), (3pf), (9p), (12m), (14), (14g), (15a), and (15b),  
4           77.52 (1b), (3), (4),<sup>✓</sup> (5), (13), (14), and (18) to (23), 77.54 (51) and (52), 77.58 (1) to (5),  
5           (6m), and (7), 77.522, 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15),  
6           and 77.62, as they apply to the taxes under subch. III, apply to the tax under this  
7           subchapter. Section 77.73, as it applies to the taxes under subch. V, applies to the  
8           tax under this subchapter.

9           <sup>✓</sup>  
**History:** 1993 a. 263, 491; 1999 a. 9; 2003 a. 203; 2007 a. 20; 2009 a. 2, 330.

9           **SECTION 4.** 77.991 (2) of the statutes is amended to read:

10           77.991 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),<sup>✓</sup>  
11           (5), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.522, 77.585, 77.59, 77.60,  
12           77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under  
13           subch. III, apply to the tax under this subchapter. Section 77.73, as it applies to the  
14           taxes under subch. V, applies to the tax under this subchapter. The renter shall  
15           collect the tax under this subchapter from the person to whom the passenger car is  
16           rented.

17           <sup>✓</sup>  
**History:** 1993 a. 263; 1999 a. 9; 2003 a. 203; 2007 a. 20; 2009 a. 2, 330.

17           **SECTION 5.** 77.9951 (2) of the statutes is amended to read:

18           77.9951 (2) Sections 77.51 (3r), (12m), (14), (14g), (15a), and (15b), 77.52 (1b),  
19           (3), (4),<sup>✓</sup> (5), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.522, 77.585,  
20           77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to  
21           the taxes under subch. III, apply to the fee under this subchapter. The renter shall  
22           collect the fee under this subchapter from the person to whom the vehicle is rented.

23           <sup>✓</sup>  
**History:** 1997 a. 27; 2007 a. 20; 2009 a. 2, 28, 330.

23           **SECTION 6.** 77.9972 (2) of the statutes is amended to read:

**BILL**

1           77.9972 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),  
2     ~~(4)~~, (5), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.522, 77.585, 77.59,  
3     77.60, 77.61 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes  
4     under subch. III, apply to the fee under this subchapter. Section 77.73, as it applies  
5     to the taxes under subch. V, applies to the fee under this subchapter. The renter shall  
6     collect the fee under this subchapter from the person to whom the passenger car is  
7     rented.

8     History: 2005 a. 25; 2007 a. 20; 2009 a. 2, 28, 330.

(END)



**Barman, Mike**

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**From:** Romportl, Daniel  
**Sent:** Friday, January 07, 2011 8:15 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 11-0774/1 Topic: Allow retailers to offer discounts equal to the sales tax

Please Jacket LRB 11-0774/1 for the SENATE.

Thank you,

Dan Romportl  
Office of Senator Scott Fitzgerald  
Senate Majority Leader  
(608) 266-5660