

2013 DRAFTING REQUEST

Bill

Received: 1/24/2013 Received By: jkreye
Wanted: As time permits Same as LRB: -1363
For: Chad Weininger (608) 266-5840 By/Representing: kirsten
May Contact: Drafter: jkreye
Subject: Tax, Other - sales Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Weininger@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

August and November sales tax holidays; DOR approval

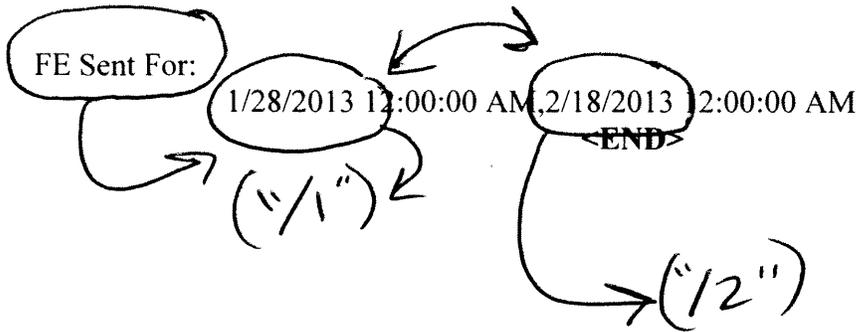
Instructions:

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>
/?	jkreye 1/24/2013	scalvin 1/24/2013	jfrantze 1/24/2013	_____			
/1	jkreye 2/14/2013			_____	srose 1/24/2013		State S&L Tax
/2		scalvin 2/14/2013	jfrantze 2/14/2013	_____	srose 2/14/2013	srose 2/25/2013	State S&L

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required
Tax



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/1	jkreye 2/14/2013			_____	srose 1/24/2013		State S&L Tax
/2		scalvin 2/14/2013	jfrantze 2/14/2013	_____	srose 2/14/2013		State S&L

Vers. Drafted

Reviewed

Typed

Proofed

Submitted

Jacketed

Required
Tax

FE Sent For:

~~1/28/2013 12:00:00 AM~~

(1/1)

<END>

02-18-2013
(1/2)

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/?	jkreye 1/24/2013	scalvin 1/24/2013	jfrantze 1/24/2013	_____			
/1		1/2 sac 02/14/2013	JG 2 1/14	_____	srose 1/24/2013		State S&L Tax

FE Sent For:

01-28-2013
("1")

<END>

see attached

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/?	jkreye	11 sac 01/24/2013	Jb	1/24			

FE Sent For:

<END>

1-23-15

Kersten — for Rep. Chad Werninger

redraft LRB-3691 re sales tax holiday
for August and November.

need the draft relatively quickly



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3691/P1

JK:sac&wlj

6
sac
1317/11

RMNR

9
PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 1-23-13

SOON

gen cut

1 AN ACT to create 77.54 (60) and 77.54 (61) of the statutes; relating to: sales tax
2 holidays in August and in November.

Analysis by the Legislative Reference Bureau

Under this bill, annually, for the three-day period beginning on the first Friday in August and ending on the following Sunday, the sales of the following items are exempt from the sales tax and the use tax:

1. An item of clothing, not including clothing accessories, if the sales price of any single item is no more than \$100.
2. A computer purchased by the consumer for the consumer's personal use, if the sales price of the computer is no more than \$3,500.
3. Computer-related equipment, if the sales price of any single item is no more than \$250.
4. School instructional materials, if the sales price of any single item is no more than \$300.
5. School supplies, if the sales price of any single item is no more than \$100.
6. Sport or recreational equipment, if the sales price of any single item is no more than \$50.

The bill also provides that, annually, for the three-day period beginning on the first Friday in November and ending on the following Sunday, the sales of Energy Star products purchased by a consumer for the consumer's personal use are exempt from the sales tax and the use tax.

The bill provides, however, that the exemptions for August and November do not apply in any year in which the Department of Revenue determines, by May 1,

that the state's financial situation would make implementation of the exemptions imprudent.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

1 **SECTION 1.** 77.54 (60) of the statutes is created to read:

2 77.54 **(60)** (a) In this subsection:

3 1. "Clothing" means any wearing apparel for humans that is suitable for
4 general use, not including protective equipment and sport or recreational
5 equipment.

6 2. "Clothing accessories" means incidental items worn on a person or in
7 conjunction with clothing, including jewelry, handbags, cosmetics, umbrellas,
8 nonprescription sunglasses, watches, wallets, wigs, handkerchiefs, hair notions, and
9 other similar items.

10 3. "Computer-related equipment" means the individual components of a
11 computer that are used with the computer, including printers, modems, keyboards,
12 monitors, personal data assistant devices, peripheral devices, and computer
13 software, if the computer software is not designed for use with a game device, game
14 console, or similar device.

15 4. "Protective equipment" means any wearing apparel for humans that is not
16 suitable for general use and is designed to protect the person who wears the apparel
17 from injury or disease or to protect property or other persons from damage or injury.

18 "Protective equipment" includes breathing masks, clean room apparel, ear and

1 hearing protectors, face shields, hard hats, helmets, except for helmets worn in
2 conjunction with an athletic or recreational activity, paint or dust respirators,
3 protective gloves, safety glasses and goggles, safety belts, and tool belts.

4 5. "School instructional materials" means reference books, reference maps and
5 globes, textbooks, and workbooks.

6 6. "School supplies" means book bags, chalk, erasers, clipboards, composition
7 books, construction paper, crayons, crayon boxes, flash cards, folders, glue, index
8 cards, ink, ink cartridges, mechanical pencil refills, paper clips, paste, pencil boxes,
9 pencil sharpeners, protractors, rulers, scissors, staplers, staples, tape, pens, pencils,
10 notebooks, paper, calculators, dictionaries, and thesauruses.

11 7. "Sport or recreational equipment" means any item that is not suitable for
12 general use and is designed to be used by a person and worn in conjunction with an
13 athletic or recreational activity. "Sport or recreational equipment" includes ballet
14 shoes, tap shoes, athletic shoes that are intended to be worn with cleats or spikes,
15 gloves that are used to participate in a sport or recreational activity, hand and elbow
16 guards, mouthguards, shin guards, roller or in-line skates, ice skates, life preservers
17 and vests, shoulder pads, wet suits, fins, ski boots, and waders.

18 (b) Except as provided in par. (c), annually, beginning in August ²⁰¹³ ~~2012~~, for the
19 3-day period beginning on the first Friday in August and ending on the following
20 Sunday, the sales price from the sale of and the storage, use, or other consumption
21 of the following:

22 1. Clothing, not including clothing accessories, if the sales price of any single
23 item is no more than \$100.

24 2. A computer purchased by the consumer for the consumer's personal use, if
25 the sales price of the computer is no more than \$3,500.

Barman, Mike

From: Kreye, Joseph
Sent: Friday, January 25, 2013 3:28 PM
To: Barman, Mike
Subject: FW: Fiscal estimate - sales tax holiday

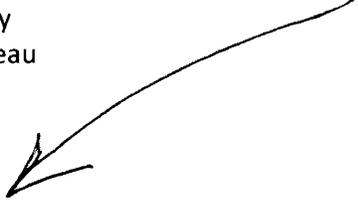
Mike,

Rep. Weininger is requesting a fiscal estimate for 13-1317/1.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

-----Original Message-----


From: Seeman, Kirsten
Sent: Friday, January 25, 2013 3:20 PM
To: Wagner, Michael W - DOR
Cc: Kreye, Joseph
Subject: RE: Fiscal estimate - sales tax holiday

Joe:

Could you please submit the sales tax holiday draft to Michael in order for us to get a fiscal estimate?

Thank you,

Kirsten

-----Original Message-----

From: Wagner, Michael W - DOR [<mailto:MichaelW.Wagner@revenue.wi.gov>]
Sent: Fri 1/25/2013 3:11 PM
To: Seeman, Kirsten
Subject: RE: Fiscal estimate - sales tax holiday

Kristen,

We'll be able to provide a formal estimate since we have a bill draft. However, the LRB will need to submit the draft to us. If you talk to Joe Kreye, whom I believe drafted this for you, he will be able to submit it through the system.

We require formal submissions of bill drafts because that way we can ensure that fiscal estimates are formally assigned to staff and reviewed.

Thanks,

Mike

From: Seeman, Kirsten [<mailto:Kirsten.Seeman@legis.wisconsin.gov>]
Sent: Friday, January 25, 2013 3:06 PM
To: Wagner, Michael W - DOR
Subject: Fiscal estimate - sales tax holiday

Hi, Michael:

I was wondering if you would be able to give me an estimate for a sales tax holiday bill Rep. Weininger and Sen. Gudex are looking to introduce next week. We were planning on reaching out to leadership and the Governor's office early next week, and wanted to have preliminary estimate for them.

I have attached the bill draft, so that you're able to see what we're looking to do.

This is a top priority for Rep. Weininger, so he would like it quickly.

Thanks, and please let me know if there's questions or concerns.

Kirsten

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Fiscal Estimate Narratives

DOR 2/6/2013

LRB Number	13-1317/1	Introduction Number	Estimate Type	Original
Description Sales tax holidays in August and in November				

Assumptions Used in Arriving at Fiscal Estimate

Under current law, sales and use taxes are imposed on the sale of tangible personal property, digital goods, and certain services. In FY2012, sales and use tax collections totaled \$4.289 billion.

The bill provides two annual temporary sales and use tax exemptions for specified items. Under the bill, the sale of clothing items sold for \$100 or less, computers sold for \$3,500 or less, computer-related equipment sold for \$250 or less, school instructional materials sold for \$300 or less, school supplies sold for \$100 or less, and sports/recreation equipment sold for \$50 or less purchased for a consumer's personal use would be exempt during the three-day period beginning with the first Friday in August and ending on the following Sunday. The price limits apply to the sales price of a single item. Under the bill, the sale of Energy Star qualified products purchased for a consumer's personal use would be exempt from sales and use tax during the three-day period beginning on the first Friday in November and ending on the following Sunday.

Under the bill, the sales tax holidays would not occur if the Department of Revenue determines, no later than May 1, that the state's financial situation would make the implementation of the temporary exemptions imprudent.

August Sales Tax Holiday:

Based on information from the Census Bureau's 2007 Economic Census and information from Wisconsin sales tax returns, 2012 sports and recreational equipment sales were approximately \$1.6 billion. Assuming that the sales tax holiday would draw three average weeks of sales activity and assuming that 30% of products sold would be under the exemption threshold (\$50), the temporary exemption for sports and recreation equipment would decrease state sales/use tax collections by approximately \$1.4 million.

According to the National Retail Federation, national expenditures for school supplies reached an estimated \$4.2 billion in 2012. Wisconsin's share of US personal income is approximately 1.75%. Assuming Wisconsin's share of school supply purchases is the same as the state's share of personal income and that 50% school supply purchases occur in during the exemption period, the temporary exemption school supplies would decrease state sales/use tax collections by \$1.8 million.

Based on information from the 2007 Economic Census and Wisconsin sales tax returns, 2012 clothing sales reached an estimate \$5.4 billion. Assuming that the sales tax holiday would draw three average weeks of sales activity and assuming that 80% of products sold would be under the exemption threshold (\$100), the temporary exemption for clothing would decrease state sales/use tax collections by approximately \$12.5 million.

According to the National Association of College Stores, higher education full time equivalent (FTE) students spent approximately \$449 on textbooks at college book stores and affiliated web sites during the 2010-11 academic year. Based on information from the Wisconsin Blue Book and Wisconsin Technical College System, Fall 2010 post-secondary enrollment was approximately 328,000. Assuming that, on average, students spend \$225 on instructional materials and textbooks (one-half of the estimated yearly total) and that 20% of the sales occur during the sales tax holiday, the temporary exemption for school instructions materials is expected to decrease state sales/use tax collections by approximately \$700,000.

Based on information from Global Insight and International Data Corporation (IDC), approximately 40% of the 65 million PCs shipped in 2012 were sold to consumers, rather than businesses. Assuming the sales tax holiday draws three average weeks of sales activity and an average PC price of \$600, the temporary sales tax exemption for computers and computer related equipment is expected to decrease state sales/use tax collections by approximately \$2.9 million.

In sum, the August sales tax holiday is estimated to decrease state sales/use tax collections by \$19.3 million

on an annual basis.

November Sales Tax Holiday:

Only a partial estimate of the fiscal impact of the November sales tax holiday may be estimated as data is not available for some items that would be temporarily exempt under the bill, such as roofing materials and insulation. Additionally, some share of products that would be considered real property improvements (water heaters, central air conditioners, and furnaces) could be purchased directly by consumers during the exemption period and then installed by a third-party.

Based on US Census information and the Energy Star program reports on the market share of Energy Star certified products, such as room air conditioners, dehumidifiers, refrigerators, clothes washers, televisions, computers, computer peripherals, compact fluorescent lighting, doors, windows, and skylights and assuming that the three day exemption created by the bill draws three average weeks of sales activity, the November sales tax holiday is estimated to decrease state sales/use tax collections by \$4.0 million annually.

Combined Impact:

While certain taxable expenditures cannot be shifted, consumers looking to make purchases of large appliances, clothing, and computers may shift their purchases into the sales tax holiday periods to take advantage of the exemptions. Under the bill, state sales tax revenues are expected to decrease \$23.3 million (\$19.3 million + \$4.0 million), on an annual basis under the combination of both sales tax holidays.

County and stadium taxes were 8.2% of state sales taxes in FY12. Assuming this percentage does not change, county and stadium sales and use taxes would decrease by \$1.9 million annually.

The estimates above may be understated since (as indicated above) no amount is included for insulation, roofing materials, water heaters, central air conditioners, and furnaces that may qualify for the Energy Star product exemption under the bill. The estimate may be overstated if consumer behavior is impacted to a smaller degree than assumed.

The bill will require the department to annually incur additional customer service costs. It is anticipated that the department can absorb these costs within existing resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-1317/1		Introduction Number	
Description Sales tax holidays in August and in November			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$-23,300,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$-23,300,000
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-23,300,000		-\$1,900,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Robert Schmidt (608) 267-9892		Paul Ziegler (608) 266-5773	2/6/2013

MEMORANDUM

February 5, 2013

copy sent
to Rep. Weininger
02-06-2013

old
version

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on 2013 LRB 1317/1 – relating to sales tax holidays in August and in November.

The department has the following concerns with the bill:

1. The Streamlined Sales and Use Tax Agreement (SSUTA) provides that member states may only provide temporary exemptions for items that are explicitly defined in the SSUTA. In order to comply with the SSUTA, the Department of Revenue suggests the following changes:
 - a. Replace "computer-related equipment" with "school computer supplies" as defined in the SSUTA.
 - b. Modify the definitions of "clothing," "clothing accessories," "protective equipment," "school supplies," and "sport and recreational equipment" to match the products included in the SSUTA definitions.
2. The SSUTA requires member states to provide notice of a temporary exemption period at least 60 days prior to the first day of the calendar quarter in which the temporary exemption period will be begin. The department needs an additional 30 days to prepare and distribute the notice to retailers. Consequently, the department suggests the first sales tax holidays under the bill occur in August 2013 and November 2013, or later, depending on when the bill is expected to be enacted. An initial applicability provision would be an alternative means to address uncertainty regarding the anticipated effective date.
3. The bill does not provide administrative procedures for certain transactions that may occur during the exemption periods, such as layaway sales, bundled sales, splitting of items normally sold together, rain checks, exchanges, delivery charges, order dates, returns, coupons, and other discounts. The department suggests that the bill be modified to incorporate the procedural requirements listed in Section 322.C of the SSUTA.
4. The SSUTA states that member states may not require a seller to obtain an exemption certificate from purchasers of items to be exempted during a sales tax holiday. The department suggests the bill be revised to amend sec. 77.52(13) to include references to the exemptions added by the bill to avoid the exemption certificate requirement.

5. Approximately 1,100 retailers registered with Wisconsin by October 1, 2009 when Wisconsin became a full member state to the SSUTA agreement. If Wisconsin does not conform to the SSUTA and consequently loses its membership, those out-of-state retailers that do not have a legal requirement to register in Wisconsin would no longer be obligated to collect sales and use taxes for Wisconsin and this would result in a decrease in sales tax revenues.
6. The text of the SSUTA, including the Library of Definitions, is available at www.streamlinedsalestax.org.
7. If there is a change in the energy efficiency guidelines under the Energy Star program, it may be unclear whether the previous guidelines or the revised guidelines apply for purposes of the exemption. If it is the intent that the guidelines that are to apply are those that are in effect at the time of the sale of the equipment, it is suggested that the bill be revised to clarify this treatment.
8. The bill creates complexity for retailers because of the various price caps for the exemption. Retailers will have to know which products are eligible for the exemption based on product type and sales price.

If you have questions regarding this technical memorandum, please contact Bob Schmidt at (608) 267-9892 or robertk1.schmidt@revenue.wi.gov.



RMR

2013 BILL

in thru 2-14-13

due thru 2-19

gen act

1 **AN ACT to create** 77.54 (60) and 77.54 (61) of the statutes; **relating to:** sales tax
2 holidays in August and in November.

two-day

Saturday

Analysis by the Legislative Reference Bureau

Under this bill, annually, for the three-day period beginning on the first Friday in August and ending on the following Sunday, the sales of the following items are exempt from the sales tax and the use tax:

- 1. An item of clothing, not including clothing accessories, if the sales price of any single item is no more than \$100 *\$75*
- 2. A computer purchased by the consumer for the consumer's personal use, if the sales price of the computer is no more than \$3,500 *\$2,000*
- 3. Computer-related equipment, if the sales price of any single item is no more than \$250.
- 4. School instructional materials, if the sales price of any single item is no more than \$300.
- 5. School supplies, if the sales price of any single item is no more than \$100 *\$75*
- 6. Sport or recreational equipment, if the sales price of any single item is no more than \$50.

The bill also provides that, annually, for the three-day period beginning on the first Friday in November and ending on the following Sunday, the sales of Energy Star products purchased by a consumer for the consumer's personal use are exempt from the sales tax and the use tax.

The bill provides, however, that the exemptions for August and November do not apply in any year in which the Department of Revenue determines, by May 1,

School computer supplies

Saturday

two-day

BILL

that the state's financial situation would make implementation of the exemptions imprudent.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

1 **SECTION 1.** 77.54 (60) of the statutes is created to read:

2 77.54 **(60)** (a) In this subsection:

3 1. "Clothing" means any wearing apparel for humans that is suitable for
4 general use, not including protective equipment and sport or recreational
5 equipment.

6 2. "Clothing accessories" means incidental items worn on a person or in
7 conjunction with clothing, including jewelry, handbags, cosmetics, umbrellas,
8 nonprescription sunglasses, watches, wallets, wigs, handkerchiefs, hair notions, and
9 other similar items.

10 3. "Computer-related equipment" means the individual components of a
11 computer that are used with the computer, including printers, modems, keyboards,
12 monitors, personal data assistant devices, peripheral devices, and computer
13 software, if the computer software is not designed for use with a game device, game
14 console, or similar device.

15 4. "Protective equipment" means any wearing apparel for humans that is not
16 suitable for general use and is designed to protect the person who wears the apparel
17 from injury or disease or to protect property or other persons from damage or injury.

18 "Protective equipment" includes breathing masks, clean room apparel, ear and

BILL

9

1 hearing protectors, face shields, hard hats, helmets, except for helmets worn in
2 conjunction with an athletic or recreational activity, paint or dust respirators,
3 protective gloves, safety glasses and goggles, safety belts, and tool belts.

4 5. "School instructional materials" means reference books, reference maps and
5 globes, textbooks, and workbooks.

6 6. "School supplies" means book bags, chalk, erasers, clipboards, composition
7 books, construction paper, crayons, crayon boxes, flash cards, folders, glue, index
8 cards, ink, ink cartridges, mechanical pencil refills, paper clips, paste, pencil boxes,
9 pencil sharpeners, protractors, rulers, scissors, staplers, staples, tape, pens, pencils,
10 notebooks, paper, calculators, dictionaries, and thesauruses.

11 7. "Sport or recreational equipment" means any item that is not suitable for
12 general use and is designed to be used by a person and worn in conjunction with an
13 athletic or recreational activity. "Sport or recreational equipment" includes ballet
14 shoes, tap shoes, athletic shoes that are intended to be worn with cleats or spikes,
15 gloves that are used to participate in a sport or recreational activity, hand and elbow
16 guards, mouthguards, shin guards, roller or in-line skates, ice skates, life preservers
17 and vests, shoulder pads, wet suits, fins, ski boots, and waders.

*Insert
3-17*

*2- day
3-day*

18 (b) Except as provided in par. (c), annually, beginning in August 2013, for the
19 *3-day* period beginning on the first *Friday* in August and ending on the following
20 *Saturday* Sunday, the sales price from the sale of and the storage, use, or other consumption
21 of the following:

22 1. Clothing, not including clothing accessories, *or equipment* if the sales price of any single
23 item is no more than ~~\$100~~ *\$75*

24 2. A computer purchased by the consumer for the consumer's personal use, if
25 the sales price of the computer is no more than ~~\$3,500~~ *\$2,000*

\$2,000

BILL

*Insert
4-2*

g

3. Computer-related equipment purchased by the consumer for the consumer's personal use, if the sales price of any single item is no more than \$250.

4. School instructional materials, if the sales price of any single item is no more than \$300.

5. School supplies, if the sales price of any single item is no more than \$100.

\$75

6. Sport or recreational equipment, if the sales price of any single item is no more than \$50.

(c) This subsection does not apply in any year in which the department determines, no later than May 1, that the state's financial situation would make implementation of this subsection imprudent.

SECTION 2. 77.54 (61) of the statutes is created to read:

77.54 (61) (a) In this subsection, "energy star qualified product" means a product that meets the energy efficient guidelines set by the federal environmental protection agency and the federal department of energy and is authorized by such agencies to carry the Energy Star label.

(b) Except as provided in par. (c), annually, beginning in November 2012, for the ~~3-day~~ *2-day* period beginning on the first ~~Friday~~ *Saturday* in November and ending on the following Sunday, the sales price from the sale of and the storage, use, or other consumption of energy star qualified products that are purchased by the consumer for the consumer's personal use.

g-2013

(c) This subsection does not apply in any year in which the department determines, no later than May 1, that the state's financial situation would make implementation of this subsection imprudent.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1363/2

JK:sac:rs

Inserts to 12

2013 BILL

- 1 **AN ACT to create** 77.54 (60) and 77.54 (61) of the statutes; **relating to:** sales tax
2 holidays in August and in November.

Analysis by the Legislative Reference Bureau

Under this bill, annually, for the two-day period beginning on the first Saturday in August and ending on the following Sunday, the sales of the following items are exempt from the sales tax and the use tax:

1. An item of clothing, not including clothing accessories, if the sales price of any single item is no more than \$75.
2. A computer purchased by the consumer for the consumer's personal use, if the sales price of the computer is no more than \$2,000.
3. School computer supplies, if the sales price of any single item is no more than \$250.
4. School instructional materials, if the sales price of any single item is no more than \$300.
5. School supplies, if the sales price of any single item is no more than \$75.

The bill also provides that, annually, for the two-day period beginning on the first Saturday in November and ending on the following Sunday, the sales of Energy Star products purchased by a consumer for the consumer's personal use are exempt from the sales tax and the use tax.

The bill provides, however, that the exemptions for August and November do not apply in any year in which the Department of Revenue determines, by May 1, that the state's financial situation would make implementation of the exemptions imprudent.

BILL

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

SECTION 1. 77.54 (60) of the statutes is created to read:

77.54 (60) (a) In this subsection:

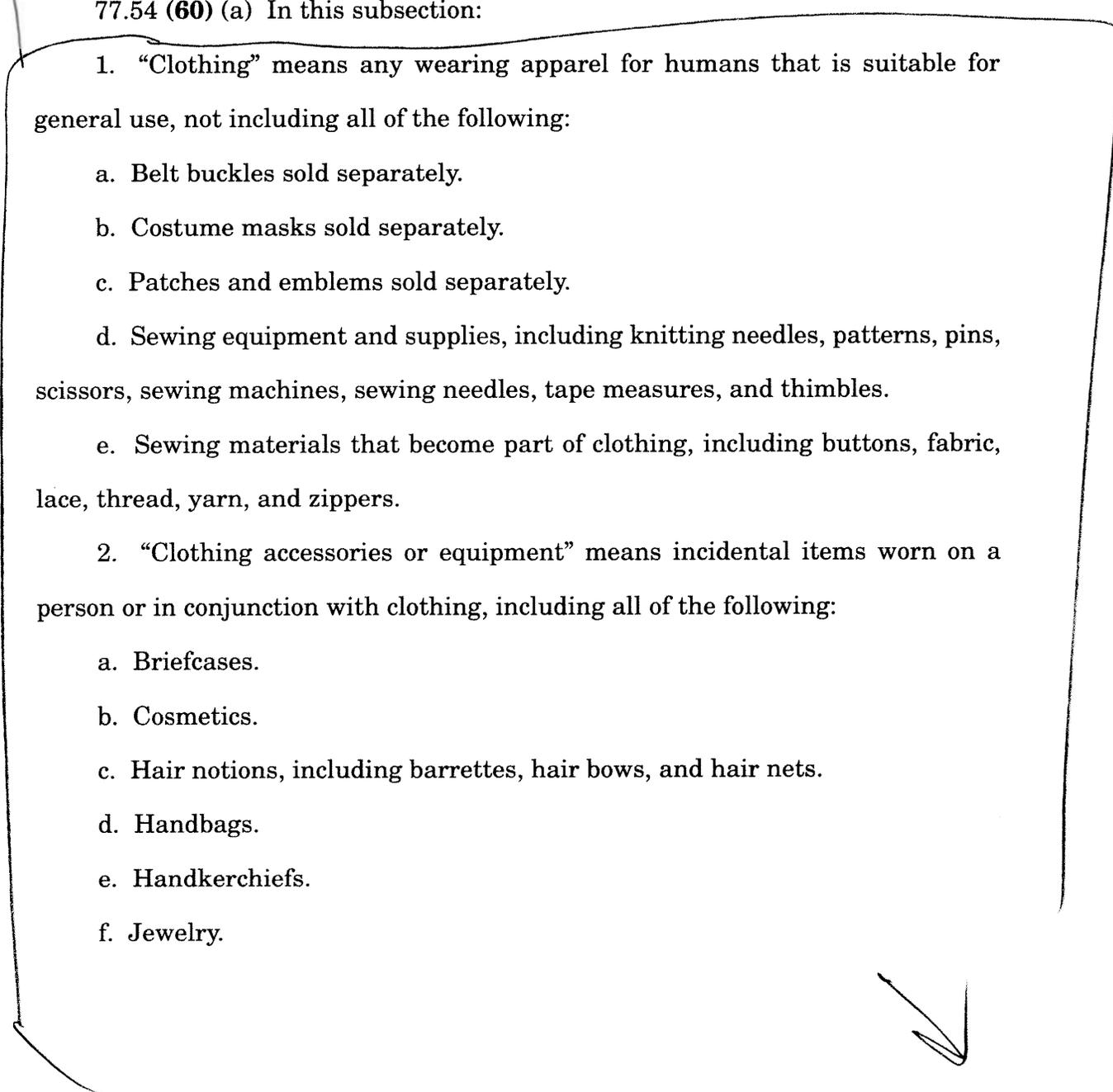
1. "Clothing" means any wearing apparel for humans that is suitable for general use, not including all of the following:

- a. Belt buckles sold separately.
- b. Costume masks sold separately.
- c. Patches and emblems sold separately.
- d. Sewing equipment and supplies, including knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles.
- e. Sewing materials that become part of clothing, including buttons, fabric, lace, thread, yarn, and zippers.

2. "Clothing accessories or equipment" means incidental items worn on a person or in conjunction with clothing, including all of the following:

- a. Briefcases.
- b. Cosmetics.
- c. Hair notions, including barrettes, hair bows, and hair nets.
- d. Handbags.
- e. Handkerchiefs.
- f. Jewelry.

Amend
3-7



Insert 3-17
↓

BILL

1 g. Nonprescription sunglasses.

2 h. Umbrellas.

3 i. Wallets.

4 j. Watches.

5 k. Wigs.

6 L. Hair pieces.

7 3. "School computer supply" means any of the following items that are
8 commonly used by a student in a course of study in which a computer is used:

9 a. Computer storage media, diskettes, and compact discs.

10 b. Handheld electronic schedulers, not including cellular phones.

11 c. Personal digital assistants, not including cellular phones.

12 d. Computer printers.

13 e. Printer supplies for computers, printer paper, and printer ink.

14 4. "School instructional material" means any of the following that is commonly
15 used by a student in a course of study as a reference and to learn the subject being
16 taught:

17 a. Reference books.

18 b. Reference maps and globes.

19 c. Textbooks.

20 d. Workbooks.

21 5. "School supply" means any of the following items that are commonly used
22 by a student in a course of study:

23 a. Binders.

24 b. Book bags.

25 c. Calculators.

*Insert 3-17
continues*
↓

insert 3-17
↓
BILL

- 1 d. Cellophane tape.
- 2 e. Blackboard chalk.
- 3 f. Compasses.
- 4 g. Composition books.
- 5 h. Crayons.
- 6 i. Erasers.
- 7 j. Folders.
- 8 k. Glue, paste, and paste sticks.
- 9 L. Highlighters.
- 10 m. Index cards.
- 11 n. Index card boxes.
- 12 o. Legal pads.
- 13 p. Lunch boxes.
- 14 q. Markers.
- 15 r. Notebooks.
- 16 s. Loose-leaf ruled notebook paper, copy paper, graph paper, tracing paper,
- 17 manila paper, colored paper, poster board, and construction paper.
- 18 t. Pencil boxes and other school supply boxes.
- 19 u. Pencil sharpeners.
- 20 v. Pencils.
- 21 w. Pens.
- 22 x. Protractors.
- 23 y. Rulers.
- 24 z. Scissors.
- 25 za. Writing tablets.

end of insert 3-17

BILL

1 (b) Except as provided in par. (c), annually, beginning in August 2013, for the
2 2-day period beginning on the first Saturday in August and ending on the following
3 Sunday, the sales price from the sale of and the storage, use, or other consumption
4 of the following:

5 1. Clothing, not including clothing accessories or equipment, if the sales price
6 of any single item is no more than \$75.

7 2. A computer purchased by the consumer for the consumer's personal use, if
8 the sales price of the computer is no more than \$2,000.

9 3. School computer supplies purchased by the consumer for the consumer's
10 personal use, if the sales price of any single item is no more than \$250.

11 4. School instructional materials, if the sales price of any single item is no more
12 than \$300.

13 5. School supplies, if the sales price of any single item is no more than \$75.

14 (c) This subsection does not apply in any year in which the department
15 determines, no later than May 1, that the state's financial situation would make
16 implementation of this subsection imprudent.

17 **SECTION 2.** 77.54 (61) of the statutes is created to read:

18 77.54 (61) (a) In this subsection, "energy star qualified product" means a
19 product that meets the energy efficient guidelines set by the federal environmental
20 protection agency and the federal department of energy and is authorized by such
21 agencies to carry the Energy Star label.

22 (b) Except as provided in par. (c), annually, beginning in November ^{STEF} for
23 the 2-day period beginning on the first Saturday in November and ending on the
24 following Sunday, the sales price from the sale of and the storage, use, or other

4-2

Editor note: change on
line 22 made in -1317
and -1363.

BILL

SECTION 2

1 consumption of energy star qualified products that are purchased by the consumer
2 for the consumer's personal use.

3 (c) This subsection does not apply in any year in which the department
4 determines, no later than May 1, that the state's financial situation would make
5 implementation of this subsection imprudent.

6 (END)

Kreye, Joseph

From: Seeman, Kirsten
Sent: Friday, February 15, 2013 4:26 PM
To: Kreye, Joseph
Cc: Wagner, Michael W - DOR
Subject: Sales Tax Holiday legislation

Hi, Joe:

Could you please release the new sales tax holiday legislation to Michael for a new fiscal?

Thanks!

Kirsten Seeman
Research Assistant
Office of State Representative Chad Weinger
4th Assembly District
125 West, State Capitol
608-266-1184 / kirsten.seeman@legis.wi.gov

*LRB-1317/2
fiscal estimate*

Rose, Stefanie

From: Seeman, Kirsten
Sent: Monday, February 25, 2013 10:21 AM
To: LRB.Legal
Subject: Draft Review: LRB -1317/2 Topic: August and November sales tax holidays; DOR approval

If we could have this by February 26, that would be great.

Please Jacket LRB -1317/2 for the ASSEMBLY.

Memo

To: Representative **Weininger**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2013 session draft.

LRB Number: LRB-1317

Version: " /2 "

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 02 / 27 / 2013

*** * * * ***

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Un-introduced Draft*

> **If re-drafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file "guts" ... after the draft's old version (the version that this fiscal estimate was based on), and just before re-draft of the updated version.

> **If introduced ...** please make sure the attached fiscal estimate is for the **current version** ... write the draft's new introduction number below and give this packet to Mike (or Lori) to re-process the fiscal estimate (w/intro. number included).

THIS DRAFT WAS INTRODUCED AS: 2013 AB 108

Barman, Mike

From: Barman, Mike
Sent: Wednesday, February 27, 2013 12:07 PM
To: Rep.Weininger
Cc: Seeman, Kirsten
Subject: LRB-1317/2 (un-introduced) (FE & Tech. Memo by DOR - attached - for your review)



TM-1317_DOR.P...



FE-1317_DOR.PDF

Drafter: JK
Subject: Tax, Other – sales

Mike Barman (Lead Program Assistant)

State of Wisconsin - Legislative Reference Bureau - Legal Section - Front Office

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