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STEPHEN R. MILLER
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May 23, 2013

MEMORANDUM

To: Representative Thiesfeldt

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266–2263

Subject: Technical Memorandum to **2013 AB 198** (LRB–1031/1) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

May 21, 2013

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 198 – relating to a sales tax exemption for silver and gold.

The Department of Revenue has the following concern with the bill:

The scope of the bill may be broader than intended as it does not provide definitions for "silver" or "gold." It is unclear if the exemption is intended to include items that are primarily made of silver or gold or items that contain silver or gold.

If the author's intent is to exempt silver and gold coins and bullion, the department suggests the following:

Create sec. 77.54(60), Wis. Stats., to exempt the following:
(60) The sales price from the sale of and the storage, use, or other consumption of bullion bars, bullion coins, bullion ingots, and bullion plates that are made primarily from silver or gold. In this subsection, "primarily" means more than 50 percent.

If the author's intent is to exempt items that are primarily made of silver or gold (such as coins, bullion, and jewelry), a definition of "primarily" for purposes of this exemption would be necessary. While "primarily" is defined in sec. 77.54(57) as "more than 50 percent," a definition of "primary" for the proposed exemption would need to specify whether the 50 percent applies to the value of the products, the weight, or some other measure.

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

cc: Representative Thiesfeldt