2013 DRAFTING REQUEST

Bill

Received:	**10/3/2013**	Received By:	**jkreye**
Wanted:	**As time permits**	Same as LRB:	**-2659**
For:	**Jim Steineke (608) 266-2418**	By/Representing:	**jon**
May Contact:		Drafter:	**jkreye**
Subject:	**Tax, Other - sales**	Addl. Drafters:	
		Extra Copies:	

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

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for aircraft parts and maintenance regardless of whether the buyer is in state

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Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1	jkreye 10/3/2013	jdyer 10/3/2013	jfrantze 10/3/2013	_____ _____	lparisi 10/3/2013	lparisi 10/3/2013	State S&L Tax

FE Sent For: at intro 10/18

<END>

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Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1	jkreye	10/3 jld		10/3			State S&L Tax

FE Sent For:

<END>

Kreye, Joseph

From: Kelly, Scott
Sent: Thursday, October 03, 2013 11:08 AM
To: Turke, Jon; Kreye, Joseph
Subject: LRB 2659/2

Hi Joe-

Can you please jacket a companion of LRB 2659 for the Assembly, and send to Steineke's office?

Thanks

Scott

Scott Kelly
Legislative Director
Senator Mike Ellis
Senate President
608-266-0718
scott.kelly@legis.wi.gov

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–2659/2
JK:jld:ph

Keep

3333 //

2013 BILL

in Thurs. 10 3

Today

Regen

AN ACT ***to amend*** 77.52 (2) (a) 10. and 77.52 (13); and ***to repeal and recreate*** 77.54 (5) (a) of the statutes; **relating to:** the sales and use tax exemption for aircraft parts, maintenance, and labor.

Analysis by the Legislative Reference Bureau

Under current law, the sale of aircraft, including accessories, attachments, fuel, and parts, is exempt from the sales and use tax if the aircraft is sold to a person who uses the aircraft as a certified or licensed carrier in interstate or foreign commerce or sold to and used by a foreign government. Also, under current law, the sale of aircraft is exempt from the sales and use tax, if the aircraft is sold to persons who are not state residents and the aircraft is removed from this state. Repair and maintenance services performed on all such aircraft are also exempt from the sales and use tax.

This bill exempts the sale of aircraft parts from the sales and use tax, regardless of how the aircraft is used. In addition, the bill exempts the repair and maintenance of all aircraft and aircraft parts from the sales and use tax.

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.** 77.52 (2) (a) 10. of the statutes is amended to read:

2 77.52 **(2)** (a) 10. Except for the repair, service, alteration, fitting, cleaning,
3 painting, coating, towing, inspection, and maintenance of any aircraft or aircraft
4 parts; except for services provided by veterinarians; and except for installing or
5 applying tangible personal property, or items or goods under sub. (1) (b) or (d), that,
6 subject to par. (ag), when installed or applied, will constitute an addition or capital
7 improvement of real property,; the repair, service, alteration, fitting, cleaning,
8 painting, coating, towing, inspection, and maintenance of all items of tangible
9 personal property or items, property, or goods under sub. (1) (b), (c), or (d), unless, at
10 the time of that repair, service, alteration, fitting, cleaning, painting, coating,
11 towing, inspection, or maintenance, a sale in this state of the type of property, item,
12 or good repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected,
13 or maintained would have been exempt to the customer from sales taxation under
14 this subchapter, other than the exempt sale of a motor vehicle or truck body to a
15 nonresident under s. 77.54 (5) (a) and other than nontaxable sales under s. 77.522
16 or unless the repair, service, alteration, fitting, cleaning, painting, coating, towing,
17 inspection, or maintenance is provided under a contract that is subject to tax under
18 subd. 13m. The tax imposed under this subsection applies to the repair, service,
19 alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance of
20 items listed in par. (ag), regardless of whether the installation or application of
21 tangible personal property or items, property, or goods under sub. (1) (b), (c), or (d)

1 related to the items is an addition to or a capital improvement of real property, except
2 that the tax imposed under this subsection does not apply to the original installation
3 or the complete replacement of an item listed in par. (ag), if that installation or
4 replacement is a real property construction activity under s. 77.51 (2).

5 **SECTION 2.** 77.52 (13) of the statutes is amended to read:

6 77.52 **(13)** For the purpose of the proper administration of this section and to
7 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
8 the tax until the contrary is established. The burden of proving that a sale of tangible
9 personal property, or items, property, or goods under sub. (1) (b), (c), or (d), or services
10 is not a taxable sale at retail is upon the person who makes the sale unless that
11 person takes from the purchaser an electronic or a paper certificate, in a manner
12 prescribed by the department, to the effect that the property, item, good, or service
13 is purchased for resale or is otherwise exempt, except that no certificate is required
14 for the sale of tangible personal property, or items, property, or goods under sub. (1)
15 (b), (c), or (d), or services that are exempt under s. 77.54 (5) (a) 3., (7), (7m), (8), (10),
16 (11), (14), (15), (17), (20n), (21), (22b), (31), (32), (35), (36), (37), (42), (44), (45), (46),
17 (51), and (52).

18 **SECTION 3.** 77.54 (5) (a) of the statutes is repealed and recreated to read:

19 77.54 **(5)** (a) 1. Aircraft, including accessories, attachments, and fuel for such
20 aircraft, sold to persons using the aircraft as certified or licensed carriers of persons
21 or property in interstate or foreign commerce under authority of the laws of the
22 United States or any foreign government, or sold to any foreign government for use
23 by such government outside this state.

24 2. Aircraft, including attachments for such aircraft, sold to persons who are not
25 residents of this state and who will not use such aircraft in this state otherwise than

in the removal of such aircraft from this state or in the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, and maintenance of such aircraft in this state.

3. Parts used to modify or repair aircraft.

4. Motor vehicles or truck bodies sold to persons who are not residents of this state and who will not use such motor vehicles or trucks for which the truck bodies were made in this state otherwise than in the removal of such motor vehicles or trucks from this state.

SECTION 4. Effective date.

(1) This act takes effect on first day of the 3rd month beginning after publication.

(END)

Parisi, Lori

From: Turke, Jon
Sent: Thursday, October 03, 2013 11:57 AM
To: LRB.Legal
Subject: Draft Review: LRB -3333/1 Topic: Sales and use tax exemption for aircraft parts and maintenance regardless of whether the buyer is in state

Please Jacket LRB -3333/1 for the ASSEMBLY.