2013 DRAFTING REQUEST

Bill

Received:	**12/9/2013**	Received By:	**jkreye**
Wanted:	**As time permits**	Same as LRB:	**-2927**
For:	**Lee Nerison (608) 266-3534**	By/Representing:	
May Contact:		Drafter:	**jkreye**
Subject:	**Tax, Other - sales**	Addl. Drafters:	
		Extra Copies:	

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

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for agriculture-related businesses

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1	jkreye 12/9/2013	scalvin 12/9/2013	rschluet 12/9/2013	_____ _____	srose 12/9/2013	srose 12/9/2013	State S&L Tax

FE Sent For:

at intro

<END>

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/1	jkreye	/1 sac 12/09/2013	/1 sac 12/09/2013	12913			State S&L Tax

FE Sent For:

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State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–2927/5
JK:sac&eev:ts

stays 3792/1

2013 BILL

in Mon 12-9

Today

gen cat

1 AN ACT ***to renumber*** 77.54 (6); ***to renumber and amend*** 77.54 (6r); and ***to***
2 ***create*** 77.54 (6) (am) 4., 77.54 (6) (am) 5. and 77.54 (6) (bn) of the statutes;
3 **relating to:** the sales and use tax exemption for equipment used in a fertilizer
4 blending, feed milling, or grain drying operation.

Analysis by the Legislative Reference Bureau

Current law provides a sales and use tax exemption for machines and specific processing equipment used by a manufacturer in manufacturing tangible personal property. The exemption, however, does not apply, generally, to tangible personal property that is fastened to, connected to, or built into real property. Under current law, the sale of machines and specific processing equipment used to manufacture feed is exempt from the sales and use tax unless such items become part of real property.

Current law also provides a sales and use tax exemption for tangible personal property and equipment used in farming. That exemption applies to certain tangible personal property such as conveyors, feed elevators and augers, and grain dryers and grinders, regardless of the extent to which such property is fastened to, connected to, or built into real property. Under current law, a feed manufacturer is not considered to be engaged in the business of farming.

This bill provides a sales and use tax exemption for the sale of specific processing equipment used in a fertilizer blending, feed milling, or grain drying operation, including holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer, wet corn holding bins, mixers, conveying

equipment, and grinding, mixing, and saturation bins, regardless of whether such items become an addition to, a component of, or a capital improvement of real property. The exemption also applies to building materials used to construct or repair certain holding structures used in the fertilizer blending, feed milling, or grain drying operation.

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 (6) of the statutes is renumbered 77.54 (6) (am).

2 **SECTION 2.** 77.54 (6) (am) 4. of the statutes is created to read:

3 77.54 **(6)** (am) 4. Machines and specific processing equipment used exclusively
4 and directly in a fertilizer blending, feed milling, or grain drying operation, including
5 holding structures used for weighing and dropping feed or fertilizer ingredients into
6 a mixer, wet corn holding bins, grain dryers, mixers, conveying equipment, and
7 grinding, mixing, and saturation bins, regardless of whether such items become an
8 addition to, a component of, or a capital improvement of real property. The
9 exemption under this subdivision applies to repair parts, replacements, and safety
10 attachments for such machines and equipment.

11 **SECTION 3.** 77.54 (6) (am) 5. of the statutes is created to read:

12 77.54 **(6)** (am) 5. Building materials acquired solely for and used solely in the
13 construction or repair of holding structures used for weighing and dropping feed or
14 fertilizer ingredients into a mixer or for storage of grain, if such structures are used
15 in a fertilizer blending, feed milling, or grain drying operation.

16 **SECTION 4.** 77.54 (6) (bn) of the statutes is created to read:

77.54 **(6)** (bn) The exemptions under par. (am) 4. and 5. apply only to items located on the same parcel of property where the fertilizer blending, feed milling, or grain drying operation activities are conducted, or on an adjoining parcel, including parcels that are separated only by a public road. The exemptions under par. (am) 4. and 5. apply only to persons who are primarily engaged in fertilizer blending, feed milling, or grain handling operations which include grain drying operations, or primarily engaged in any combination of fertilizer blending, feed milling, or grain handling operations which include grain drying operations, and to contractors providing real property construction activities to such persons.

SECTION 5. 77.54 (6r) of the statutes is renumbered 77.54 (6) (cn) and amended to read:

77.54 **(6)** (cn) The ~~exemption under sub. (6)~~ <u>exemptions under this subsection</u> shall be strictly construed.

(END)

12-10-13

* FOR CORRECTED COPY *

REVISION REPORT

INTRODUCTION, FIRST READING AND REFERENCE OF PROPOSALS

Under Assembly Rule 17d,

Tuesday, December 10, 2013 at 3:49 PM

is considered the official date and time of introduction for the proposals listed in this document.

****

ASSEMBLY BILL 541 (LRB -3792)

Relating to: the sales and use tax exemption for equipment used in a fertilizer blending, feed milling, or grain drying operation.

Introduced by Representatives Nerison, Kulp, Tauchen, A. Ott, Vruwink, Mursau, Ripp, Marklein, Brooks, Ballweg, Petryk, Murphy, Jacque and Spiros; cosponsored by Senators Moulton, Shilling, Harsdorf, Grothman and Schultz.

Referred to Committee on **AGRICULTURE**.

State of Wisconsin
2013 - 2014 LEGISLATURE

CORRECTED COPY

LRB-3792/1
JK:sac&eev:rs

12-10-13
per Jaeryn
@ ACC

2013 ASSEMBLY BILL 541

December 9, 2013 - Introduced by Representatives NERISON, KULP, TAUCHEN, A. OTT, VRUWINK, MURSAU, RIPP, MARKLEIN, BROOKS, BALLWEG, PETRYK, MURPHY, JACQUE and SPIROS, cosponsored by Senators MOULTON, SHILLING, HARSDORF, GROTHMAN and SCHULTZ. Referred to Agriculture.

AN ACT ***to renumber*** 77.54 (6); ***to renumber and amend*** 77.54 (6r); and ***to create*** 77.54 (6) (am) 4., 77.54 (6) (am) 5. and 77.54 (6) (bn) of the statutes; **relating to:** the sales and use tax exemption for equipment used in a fertilizer blending, feed milling, or grain drying operation.

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This bill provides a sales and use tax exemption for the sale of specific processing equipment used in a fertilizer blending, feed milling, or grain drying operation, including holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer, wet corn holding bins, mixers, conveying