2013 DRAFTING REQUEST

Assembly Amendment (AA-AB40)

Received:	**5/9/2013**	Received By:	**jkreye**
Wanted:	**As time permits**	Same as LRB:	
For:	**Legislative Fiscal Bureau**	By/Representing:	**Olin (FA)**
May Contact:		Drafter:	**jkreye**
Subject:	**Tax, Property - exemption**	Addl. Drafters:	
		Extra Copies:	

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

Pre Topic:

LFB:.....Olin (FA) -

Topic:

Property tax exemption for nonprofit resale store

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	jkreye 5/10/2013	jdyer 5/10/2013	jfrantze 5/10/2013	_____ _____			
/1	jkreye 6/3/2013			_____ _____	srose 5/10/2013		
/2		jdyer 6/3/2013	phenry 6/3/2013	_____ _____	srose 6/3/2013		

FE Sent For:

<END>

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/1		/2 6/3 jld	6/3 ph	~~rs~~ pl	srose 5/10/2013		

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/?	jkreye	/ 1 5/10 jld	5/10	5/10			

FE Sent For:

<END>

in 15-1

Representative Nygren
Senator Leibham

SHARED REVENUE AND TAX RELIEF -- PROPERTY TAXATION

Property Tax Exemption for a Nonprofit Resale Store

Motion:

Move to create a property tax exemption for all property of a resale store that is owned by a nonprofit organization that qualifies for the income tax exemption under section 501 (c) (3) of the Internal Revenue Code, if at least 50% of the revenue generated by the resale store is given to one other nonprofit organization located in the same county or in an adjacent county where the resale store is located. Define resale store as a store that primarily sells used tangible personal property at retail. Extend the exemption to property assessed as of January 1, 2014.

Note:

This proposal has been introduced as SB 113. In the bill's fiscal estimate, the Department of Revenue reports that the amount of property that would become exempt under the bill is unknown, so the Department is not able to estimate the bill's fiscal effect. However, property tax exemptions result in a tax shift. The taxes on the exempt property are eliminated, and the taxes otherwise borne by that property are shifted to properties that remain taxable, thereby increasing those properties' tax bills. Also, the exemption would reduce the amount of state forestry taxes that are collected and deposited in the state conservation fund.

[Change to Bill: Minor reduction in state forestry taxes]

State of Wisconsin
2013 – 2014 LEGISLATURE

LRBb0063/1
JK:.....

LFB:.....Olin (FA) – Property tax exemption for nonprofit resale store

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 40

in 5-10-13

At the locations indicated, amend the bill as follows:

1. Page 633, line 12: after that line insert:

2. Page 1067, line 7: after that line insert:

"(8d) NONPROFIT RESALE STORE. The treatment of section 70.11 (12) (c) of the statutes first applies to the property tax assessments as of January 1, 2014.".

(END)

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–0187/3
JK:jld:jf

2013 SENATE BILL 113

March 28, 2013 – Introduced by Senators LEIBHAM, OLSEN, SCHULTZ and PETROWSKI, cosponsored by Representatives TITTL, THIESFELDT, JACQUE, KLEEFISCH, BIES, NYGREN, LEMAHIEU and OHNSTAD. Referred to Committee on Workforce Development, Forestry, Mining, and Revenue.

AN ACT ***to create*** 70.11 (12) (c) of the statutes; **relating to:** a property tax exemption for a nonprofit resale store.

Analysis by the Legislative Reference Bureau

Under current law, the property of certain charitable organizations is exempt from property taxes, including property owned by the Salvation Army, Goodwill Industries, the Boy Scouts of America, and the Young Men's Christian Association. Under this bill, the property of a resale store that is owned by a nonprofit organization is exempt from property taxes, if at least 50 percent of the store's revenue is given to another nonprofit organization located in the same county as the store.

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.

Insert 6 33-12

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

SECTION 1. 70.11 (12) (c) of the statutes is created to read:

(12783)(B)

70.11 **(12)** (c) All property of a resale store that is owned by a nonprofit organization that qualifies for the income tax exemption under section 501 (c) (3) of

1 the Internal Revenue Code, if at least 50 percent of the revenue generated by the
2 resale store is given to one other nonprofit organization located in the same county
3 where the resale store is located. In this paragraph, "resale store" means a store that
4 primarily sells used tangible personal property at retail.

end of 633-12

5 **SECTION 2. Initial applicability.**

6 (1) This act first applies to the property tax assessments as of January 1, 2014.

7 (END)

Kreye, Joseph

From: Olin, Rick
Sent: Sunday, June 02, 2013 3:13 PM
To: Kreye, Joseph
Cc: FA (Fred.Ammerman@legis.wisconsin.gov)
Subject: LRBb0063/1 Resale Stores

Hi Joe:
Doing so much "Kooyenga" that I'm just getting around to reviewing property tax drafts. On LRBb0063/1, creating a property tax exemption for certain nonprofit resale stores, please insert "or in an adjacent county" on page 1, at the end of line 7. Please see line 4 on Motion #86. Thanks,

Rick Olin, Fiscal Analyst
Wisconsin Legislative Fiscal Bureau
(608) 266-3847 (general)
(608) 267-7597 (direct)

State of Wisconsin
2013 – 2014 LEGISLATURE

LRBb0063/1 2
JK:jld:jf
RMR

LFB:.....Olin (FA) – Property tax exemption for nonprofit resale store

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 40

in 6-3-13

At the locations indicated, amend the bill as follows:

1. Page 633, line 12: after that line insert:

"**SECTION 1278j.** 70.11 (12) (c) of the statutes is created to read:

70.11 **(12)** (c) All property of a resale store that is owned by a nonprofit organization that qualifies for the income tax exemption under section 501 (c) (3) of the Internal Revenue Code, if at least 50 percent of the revenue generated by the resale store is given to one other nonprofit organization located either in the same county where the resale store is located or in a county adjacent to the county where the resale store is located. In this paragraph, "resale store" means a store that primarily sells used tangible personal property at retail.".

2. Page 1067, line 7: after that line insert:

1 "(8d) NONPROFIT RESALE STORE. The treatment of section 70.11 (12) (c) of the
2 statutes first applies to the property tax assessments as of January 1, 2014.".
3 **(END)**

State of Wisconsin
2013 – 2014 LEGISLATURE

LRBb0063/2
JK:jld:ph

LFB:.....Olin (FA) – Property tax exemption for nonprofit resale store

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 40

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1. Page 633, line 12: after that line insert:

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70.11 **(12)** (c) All property of a resale store that is owned by a nonprofit organization that qualifies for the income tax exemption under section 501 (c) (3) of the Internal Revenue Code, if at least 50 percent of the revenue generated by the resale store is given to one other nonprofit organization located either in the same county where the resale store is located or in a county adjacent to the county where the resale store is located. In this paragraph, "resale store" means a store that primarily sells used tangible personal property at retail.".

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3 **(END)**