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**WISCONSIN LEGISLATIVE COUNCIL  
ACT MEMO**

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<b>2015 Wisconsin Act 84</b> [2015 Assembly Bill 405]	<b>Tax and Other Exemptions for Work Performed in Connection With a State of Emergency</b>
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**2015 WISCONSIN ACT 84**

2015 Wisconsin Act 84 (“the Act”) creates exemptions from certain state taxes and certain state and local license, permit, and registration requirements for out-of-state businesses and out-of-state employees that perform work to repair or service infrastructure in Wisconsin that has been damaged in connection with a state of emergency declared by the Governor.

The exemptions provided under the Act apply during a “disaster relief period” that begins 10 days before the start of a state of emergency and ends 60 days after the state of emergency ends. Under prior law, unchanged by the Act, a state of emergency may not last more than 60 days, unless extended by joint resolution of the Legislature.

**Eligibility**

To be eligible to claim an exemption under the Act, a claimant must qualify as an out-of-state business or an out-of-state employee and must be engaged in qualified repair or service work.

**Out-of-State Businesses**

The Act defines an out-of-state business to mean a business, whether operated for profit or not for profit, that is not organized under the laws of Wisconsin, and that, except for performing qualified disaster relief work, was not doing business in Wisconsin during the three taxable years immediately preceding the disaster period or the taxable year in which the declared state of emergency occurs.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.wisconsin.gov>.

## **Out-of-State Employees**

The Act defines an out-of-state employee to be an individual who does not work in Wisconsin, except for performing qualified disaster relief work, and who, immediately prior to the disaster relief period, was not performing services that required the filing of a Wisconsin tax return.

## **Qualified Repair and Service Work**

To qualify for the exemptions provided under the Act, an eligible business or employee must be engaged in “qualified disaster relief work,” which includes repairing, renovating, installing, building, or performing other activities related to “infrastructure” in Wisconsin that has been damaged, impaired, or destroyed in connection with a declared state of emergency.

Under the Act, infrastructure includes “property and equipment owned or used by a telecommunications provider or cable operator or that is used for communications networks, including telecommunications, broadband, and multichannel video networks; electric generation, transmission, and distribution systems; gas distribution systems; water pipelines; and any related support facilities that service multiple customers or citizens, including buildings, offices, lines, poles, pipes, structures, equipment, and other real or personal property.”

## **Exemptions**

The Act provides eligible out-of-state businesses and out-of-state employees with exemptions from certain taxes and state and local requirements. To claim an exemption, the Act requires a claimant to provide the Department of Revenue (DOR) with certain information.

### **Tax Exemptions**

Under the Act, an eligible business or employee is exempt from any applicable state income, franchise, or withholding tax. The Act also exempts eligible businesses and employees from paying Wisconsin use tax on tangible personal property and services purchased outside of the state and brought into Wisconsin for disaster relief work.

The Act does not exempt an out-of-state business or employee from paying Wisconsin state sales tax on taxable goods and services that the business or employee buys in Wisconsin. However, the Act does provide that an eligible out-of-state business that sells goods or services in Wisconsin during a disaster period is not required to obtain a business tax registration certificate, Wisconsin seller’s permit, or use tax certificate.

### **Exemptions from State and Local License, Permit, and Registration Requirements**

Under the Act, an eligible business or employee is exempt from any applicable state or local government fee, as well as any applicable state or local government requirement to obtain or hold a license, certificate, registration, permit, or other credential or approval.

### **Notification to the Department of Revenue**

In order to claim an exemption under the Act, a business or employee must notify DOR within 90 days after the last day of the disaster period, that the business or employee is in the state solely to perform disaster relief work. The business or employee must also provide DOR with the business's or employee's:

- Legal name and business name, if any.
- State of domicile or residence.
- Principal address.
- Federal tax identification number.
- Date of entry to the state for the purpose of performing the disaster relief work.
- Contact information.

*Effective date:* The Act took effect on November 13, 2015, except that the provisions of the Act that exempt eligible businesses and employees from paying the use tax or registering with DOR as a seller take effect on February 1, 2016.

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