



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2017 Assembly Bill 140**

**Assembly  
Amendment 1**

*Memo published: May 8, 2017*

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### **2017 ASSEMBLY BILL 140**

Assembly Bill 140 relates to changes to a variety of subjects of state tax law. In particular, it includes revisions to the treatment of sales tax collections of sales of taxable products provided in conjunction with nontaxable products. The Department of Revenue describes these revisions as relating to a recent decision of the Tax Appeals Commission. In the bill, the revisions consist of a specific provision that provides a sales and use tax exemption for the sale, storage, use or other consumption of patient health care records that are sold to the patient or his or her authorized representative, as well as a series of provisions that relate generally to the sales tax treatment of tangible personal property transferred by a service provided in conjunction with the sale of a service. These latter provisions specify that tangible personal property transferred by a service provider is not incidental to the service (and therefore is taxable) if the service provider charges a separate and optional fee for the property.

Assembly Bill 140 also revises the sales and use tax exemption for fuel and electricity consumed in manufacturing to include only fuel and electricity used to operate machines and equipment used directly in the step-by-step manufacturing process, and excludes fuel and electricity used in providing plant heating or cooling, air conditioning, communications, lighting, safety and fire prevention, research and product development, receiving storage, sales, distribution, warehousing, shipping, advertising, or administrative activities.

### **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 deletes from the bill the revision to the sales and use tax for fuel and electricity consumed in manufacturing, as well as the general revisions to the sales tax treatment of tangible personal property transferred in conjunction with the sale of a service.

**BILL HISTORY**

Representative Novak introduced Assembly Bill 140 on March 10, 2017, and offered Assembly Amendment 1 on May 1, 2017. On May 4, 2017, the Assembly Committee on Ways and Means recommended adoption of Assembly Amendment 1 on a vote of Ayes, 8; Noes, 4; and recommended passage of Assembly Bill 140, as amended, on a vote of Ayes, 10; Noes, 2.

SG:jal