

No. 763, A.]

[Published July 20, 1949.

### CHAPTER 493.

AN ACT to amend 139.50 (2) (introductory paragraph), (a) and (b) and (3) (d) and (e) and 139.51 (2) and (3) (a) and (b); and to create 71.17 and 139.51 (9) of the statutes, imposing a surtax on the incomes of individuals other than corporations and imposing an additional occupational and use tax on cigarettes, to provide revenue for the public welfare institutions, increased school aids and the state building program.

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

SECTION 1. 71.17 of the statutes is created to read:

71.17 SURTAX FOR CONSTRUCTION AND EDUCATIONAL AIDS. (1) To provide adequate revenue for construction and improvements at state welfare and educational institutions and other state property, and for increased state aids to the public schools there is levied and there shall be assessed, collected and paid, in addition to all other income and optional taxes imposed by chapter 71, a surtax upon the net incomes of all persons, other than corporations, and on the gross receipts of natural persons electing to report on the optional method permitted by section 71.09 (2m), received by such persons in the years ending December 31, 1949 and December 31, 1950 or in the corresponding fiscal years, which tax shall equal 25 per cent of the normal income tax or 25 per cent of that portion of the optional gross receipts tax assessed in lieu of the normal income tax, computed in accordance with the provisions of chapter 71.

(2) Such tax shall be paid to the department of taxation as provided by section 71.10 (9), and the whole amount collected from such tax shall, through the same chan-

nels as other income taxes are paid, be paid into the general fund and shall not be distributed as provided in section 71.14.

(3) In the event any person fails to pay such tax when due, it may be assessed and collected by the department of taxation in the same manner as the income taxes provided for in chapter 71, and the provisions of chapter 71, insofar as not inconsistent herewith, shall be generally applicable to the additional tax imposed by this section.

(4) In the case of a change by any person in income years, the tax on the income of any taxable period extending beyond the 24 months for which this tax is in effect shall be computed only on the proportionate part of such income to which the tax is applicable determined in accordance with regulations to be prescribed by the department of taxation.

(5) The commissioner of taxation is authorized and directed to modify the optional tax table provided for by section 71.09 (2m) so as to include the tax imposed by this section. That portion of the optional tax assessed and collected in lieu of the tax imposed by this section shall be separately accounted for and be paid into the state treasury by the department of taxation in accordance with subsection (2).

SECTION 2. 139.50 (2) (introductory paragraph), (a) and (b) and (3) (d) and (e) of the statutes are amended to read:

139.50 (2) (introductory paragraph) From and after September 20, 1939, \* \* \* to provide revenue for the rehabilitation of returning veterans of World War II, construction and improvements at state *welfare and educational* institutions *and for the repair, remodeling and fireproofing, and for new construction of buildings in the public welfare department*, and other state property, \* \* \* post-war public works projects to relieve post-war unemployment, an occupational tax is assessed, imposed and levied upon the sale, exchange, offering or exposing for sale, having in possession with intent to sell, or removal for consumption or sale of tobacco products, or other disposition for any purpose whatsoever other than for shipment in interstate or foreign commerce. Such tax is levied and shall be collected at the following rates:

(a) On cigarettes weighing not more than 3 pounds per thousand, \* \* \* 1-1/2 mills on each such cigarette.

(b) On cigarettes weighing more than 3 pounds per thousand, \* \* \* 3 mills on each such cigarette.

(3) (d) Manufacturers and wholesalers within or without this state and having permits from the state treasurer may purchase stamps at a discount of \* \* \* 5 per cent and affix them in the manner prescribed by the state treasurer to containers of tobacco products to be sold in this state, in which case the recipient of such tobacco products within this state, from sources without this state, shall not be required to purchase and affix stamps thereto.

(e) In lieu of stamps the state treasurer may permit the use of meter machines and where used a \* \* \* 5 per cent discount on the total tax due shall be allowed. Such machines shall be used under regulations prescribed by the state treasurer and a bond in a suitable amount to guarantee the payment of the tax may be required by such treasurer.

SECTION 3. 139.51 (2) and (3) (a) and (b) of the statutes are amended to read:

139.51 (2) From and after July 14, 1945 \* \* \* to provide revenue for the rehabilitation of returning veterans of World War II, construction and improvements at state *welfare and educational* institutions *and for the repair, remodeling and fireproofing, and for new construction of buildings in the public welfare department* and other state property, and post-war public works projects to relieve post-war unemployment, a tax is assessed, imposed and levied upon the use in this state by any person, whether the owner or otherwise, of tobacco products for any purpose whatsoever. Such tax shall be imposed but once with respect to the same tobacco products whether the possession thereof continues with the person paying the tax or is transferred to another.

(3) (a) On cigarettes weighing not more than 3 pounds per thousand, \* \* \* 1-1/2 mills on each such cigarette.

(b) On cigarettes weighing more than 3 pounds per thousand, \* \* \* 3 mills on each such cigarette.

SECTION 4. 139.51 (9) of the statutes is created to read:

139.51 (9) APPLICATION OF 1949 AMENDMENT. All tax returns received under sections 2 and 3 of this act (Chapter 493, Laws of 1949, Bill No. 763, A.) from the additional one-half mill tax on cigarettes shall be set aside and appropriated to the public welfare department for the exclusive use by that department for new construction, or remodeling, repairing and fireproofing of its present buildings. No remodeling, repairing, fireproofing or construction shall be commenced without the approval of the governor.

SECTION 5. The increased occupational tax on cigarettes effected by section 2 of this act shall be applicable to and shall be paid in respect to all cigarettes in the possession of any person for sale on the effective date of this act as well as being applicable to and payable in respect to cigarettes coming into the possession of any person for sale after the effective date thereof; and the increased use tax on cigarettes effected by section 3 of this act shall be applicable to and shall be paid in respect to all cigarettes in the possession of any person for use on the effective date of this act as well as being applicable to and payable in respect to cigarettes coming into the possession of any person for use after the effective date hereof.

Approved July 19, 1949.

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