

State of Misconsin 2005 - 2006 LEGISLATURE

ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 2005 ASSEMBLY BILL 1011

March 14, 2006 – Offered by Representative WIECKERT.

1	AN ACT to renumber 77.86 (4); to renumber and amend 77.87 (1); to amend
2	77.86 (2) and 77.87 (2); and <i>to create</i> 77.86 (4) (b), 77.86 (4) (c), 77.87 (1) (a) 2.
3	and $77.87(1)(b)$ of the statutes; relating to: the determination of the value of
4	timber for purposes of assessing a yield tax and granting rule-making
5	authority.
	The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:
6	SECTION 1. 77.86 (2) of the statutes is amended to read:
7	77.86 (2) BOND. The department may require an owner who intends to cut
8	merchantable timber on managed forest land to file with the department a
9	noncancelable bond furnished by a surety company licensed to do business in this
10	state in the amount expected to be required as payment of the yield tax under s. 77.87
11	(1) <u>(a) 1</u> .
12	SECTION 2. 77.86 (4) of the statutes is renumbered 77.86 (4) (a).

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1	SECTION 3. 77.86 (4) (b) of the statutes is created to read:
2	77.86 (4) (b) The owner shall include on the report the method for determining
3	the yield tax under s. 77.87 (1).
4	SECTION 4. 77.86 (4) (c) of the statutes is created to read:
5	77.86 (4) (c) If the owner elects to determine the yield tax under s. 77.87 (1) (a)
6	2., the owner shall report the sale to the department on a form provided by the
7	department. The report shall include the amount of money involved and any other
8	compensation, including in-kind services, that the seller received in exchange for
9	selling the timber. The department shall promulgate rules that specify the
10	information that shall be included in the forms that are required under this
11	subsection.
12	SECTION 5. 77.87 (1) of the statutes is renumbered 77.87 (1) (a) (intro.) and
13	amended to read:
14	77.87(1) (a) (intro.) The department shall assess a yield tax against each owner
15	who cuts merchantable timber under s. 77.86 and shall mail a copy of the certificate
16	of assessment to the owner at the owner's last–known address. The yield tax shall
17	equal 5% of the <u>one of the following:</u>
18	<u>1. The</u> value of the merchantable timber cut, based on the stumpage value
19	established under s. 77.91 (1). The department shall mail a copy of the certificate of
20	assessment to the owner at the owner's last-known address.
21	SECTION 6. 77.87 (1) (a) 2. of the statutes is created to read:
22	77.87 (1) (a) 2. The fair market value of the merchantable timber cut, including
23	money and any other compensation received in exchange for the timber, as reported
24	under s. 77.86 (4).
25	SECTION 7. 77.87 (1) (b) of the statutes is created to read:

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1	77.87 (1) (b) If the timber is sold as a cut product, not based on stumpage value,
2	or if the owner cannot supply the documentation required under s. 77.86 (4) (c), the
3	yield tax shall equal the amount calculated under par. (a) 1.
4	SECTION 8. 77.87 (2) of the statutes is amended to read:
5	77.87 (2) SUPPLEMENTAL TAX. At any time within one year after a report is filed
6	under s. 77.86 (4), the department, after notifying the owner and providing the owner
7	with the opportunity for a hearing, may determine whether the report is accurate.
8	If the department determines that the quantity of, or the fair market value, including
9	money and any other compensation, that the seller received for, the merchantable
10	timber cut exceeded the amount on which the tax was assessed under sub. (1), the
11	department shall assess a supplemental tax on the additional amount as provided
12	under sub. (1).
13	SECTION 9. Initial applicability.
14	(1) This act first applies to merchantable timber sold on the effective date of this
15	subsection.

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(END)