

State of Misconsin 2011 - 2012 LEGISLATURE



ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 2011 ASSEMBLY BILL 381

December 12, 2011 – Offered by Representative JACQUE.

1 AN ACT to create 77.54 (60) of the statutes; relating to: a sales and use tax 2 exemption for items and services sold as part of a lump sum contract.

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

SECTION 1. 77.54 (60) of the statutes is created to read:

77.54 (60) (a) In this subsection, "lump sum contract" means a contract to 4 $\mathbf{5}$ perform real property construction activities and to provide tangible personal 6 property, items or property under s. 77.52 (1) (b) or (c), or taxable services and for 7 which the contractor quotes the charge for labor, services of subcontractors, tangible 8 personal property, items and property under s. 77.52 (1) (b) and (c), and taxable 9 services as one price, including a contract for which the contractor itemizes the 10 charges for labor, services of subcontractors, tangible personal property, items and property under s. 77.52 (1) (b) and (c), and taxable services as part of a schedule of 11 values or similar document. 12

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1 (b) The sales price from the sale of and the storage, use, or other consumption 2 of tangible personal property, items and property under s. 77.52 (1) (b) and (c), and 3 taxable services that are sold by a contractor as part of a lump sum contract, if the 4 total sales price of all such taxable products is less than 10 percent of the total 5 amount of the lump sum contract. Except as provided in par. (c), the contractor is 6 the consumer of such taxable products and shall pay the tax imposed under this 7 subchapter on the taxable products.

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8 (c) If the lump sum contract is entered into with an entity that is exempt from 9 taxation under sub. (9a), the contractor is the consumer of all taxable products used 10 by the contractor in real property construction activities, but the contractor may 11 purchase without tax, for resale, tangible personal property, items and property 12 under s. 77.52 (1) (b) and (c), and taxable services that are sold by the contractor as 13 part of the lump sum contract with the entity and that are not consumed by the 14 contractor in real property construction activities.

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SECTION 2. Initial applicability.

16 (1) This act first applies to contracts entered into on the effective date of this17 subsection.

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SECTION 3. Effective date.

19 (1) This act takes effect on the first day of the 3rd month beginning after20 publication.

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(END)