



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-1339/P2  
KRP:ahe

DOA:.....Wimmer, BB0191 - Retailer's sale of food prepared off-site

**FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT** ...; **relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**OTHER TAXATION**

This bill creates an exemption from the state sales and use tax for certain frozen foods manufactured by a retailer at the retailer's off-site manufacturing facility. Under current law, the sale of food and food ingredients is generally exempt from the sales and use tax, but most prepared foods are excluded from that exemption. Under current law, "prepared food" includes, among other things, two or more food ingredients mixed or combined by a retailer for sale as a single item. The bill creates a sales and use tax exemption for prepared food sold by a retailer that meets all of the following conditions:

1. The prepared food is manufactured by the retailer in a building assessed for property tax purposes as manufacturing property or that would be assessed as manufacturing property if the building was located in this state.
2. The retailer makes no retail sales of prepared food at the building in which the prepared food is manufactured.
3. The retailer freezes the prepared food prior to its sale.
4. The retailer sells the prepared food at retail in a frozen state.
5. The prepared food is not sold with eating utensils that are provided by the retailer.
6. The prepared food is not candy, soft drinks, or dietary supplements.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

**SECTION 1.** 77.54 (20n) (d) of the statutes is created to read:

77.54 (20n) (d) The sales price from the sale of and the storage, use, or other consumption of prepared food that is sold by a retailer and that meets all of the following conditions:

1. The prepared food is manufactured by the retailer in a building assessed as manufacturing property under s. 70.995, or that would be assessed as manufacturing property under s. 70.995 if the building was located in this state.

2. The retailer makes no retail sales of prepared food at the building described in subd. 1.

3. The retailer freezes the prepared food prior to its sale.

4. The retailer sells the prepared food at retail in a frozen state.

5. The prepared food is not sold with eating utensils that are provided by the retailer, as described in s. 77.51 (10m) (a) 3.

6. The prepared food is not candy, soft drinks, or dietary supplements.

(END)