



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Assembly Bill 223**

**Assembly Amendments 1 and 2**

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### **Assembly Bill 223**

Assembly Bill 223 excludes Internet access services from the definition of telecommunication services for sales and use tax purposes. This exclusion has the effect of exempting Internet access services from state sales and use taxes.

### **Assembly Amendment 1**

Assembly Amendment 1 deletes the definition of “Internet access services” in the bill and substitutes a definition of “Internet access” and a definition of “incidental” that is used in the definition of “Internet access.” This definition of “Internet access” corresponds to the definition of this term in the Federal Internet Tax Freedom Act Amendments Act of 2007, P.L. 110-108. This multi-part definition defines “Internet access” as follows:

- “Internet access” means a service that enables users to connect to the Internet to access content, information, or other services offered over the Internet.
- This definition includes all of the following:
  - The purchase, use, or sale of telecommunication services by an Internet access provider to the extent that the telecommunication services are purchased, used, or sold to provide Internet access or to otherwise enable users to access content, information, or other services over the Internet.
  - Services that are incidental to providing Internet access, if the services are furnished to users as part of providing Internet access. These incidental services include homepage, electronic mail and instant messaging, video clips, and

personal electronic storage capacity. Electronic mail and instant messaging includes voice capable and video capable electronic mail and instant messaging.

- A home page, electronic mail and instant messaging, video clips, and personal electronic storage capacity provided independently from or not packaged with Internet access.
- Internet access excludes voice, audio or video programming, or other products and services, except services described in the preceding bullet points, that use Internet protocol or any successor protocol for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for the service described in the preceding bullet points.

The definition of “incidental” is specified by referencing the existing definition of this term in statutes relating to sales and use tax statutes.

### **Assembly Amendment 2**

Assembly Amendment 2 changes the effective date of the exemption created by the bill from the first day of the second month beginning after publication to July 1, 2009.

### **Legislative History**

On January 17, 2008, Representative Zipperer offered Assembly Amendment 1. On January 22, 2008, the Assembly Committee on Energy and Utilities offered Assembly Amendment 2. On January 22, 2008, the Assembly Committee on Energy and Utilities recommended adoption of Assembly Amendments 1 and 2 and passage of Assembly Bill 223, as amended, on separate votes of Ayes, 10; Noes, 0.

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