



## 2003 ASSEMBLY BILL 507

September 11, 2003 - Introduced by Representatives WIECKERT, F. LASEE, NISCHKE, JENSEN, TOWNSEND, MUSSER, WEBER, OTT, GUNDERSON, VAN ROY, MCCORMICK, MONTGOMERY, FREESE, GARD and KRAWCZYK, cosponsored by Senators WELCH, BRESKE, REYNOLDS, S. FITZGERALD, STEPP, ROESSLER, ELLIS and HANSEN. Referred to Committee on Economic Development. Referred to Joint Survey Committee on Tax Exemptions.

1     **AN ACT** *to amend* 77.54 (2); and *to create* 71.07 (3s) (c) 7., 71.28 (3) (c) 7., 71.47  
2           (3) (c) 7. and 77.54 (30) (a) 6. of the statutes; **relating to:** the income and  
3           franchise tax credit for sales tax and use tax paid on fuel and electricity  
4           consumed in manufacturing.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a manufacturer may claim an income or franchise tax credit in an amount that is equal to the sales tax and the use tax that the manufacturer paid on fuel and electricity used for manufacturing tangible personal property in this state. Under this bill, a manufacturer may not claim the credit for taxable years beginning after December 31, 2004, but beginning on January 1, 2005, fuel and electricity sold for use in manufacturing tangible personal property in this state are exempt from the sales tax and the use tax.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this 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:*

5           **SECTION 1.** 71.07 (3s) (c) 7. of the statutes is created to read:

**ASSEMBLY BILL 507****SECTION 1**

1           71.07 **(3s)** (c) 7. No credit may be claimed under this subsection for taxable  
2 years that begin after December 31, 2004. Credits that are claimed under this  
3 subsection for taxable years that begin before January 1, 2005, may be carried  
4 forward to taxable years that begin after December 31, 2004.

5           **SECTION 2.** 71.28 (3) (c) 7. of the statutes is created to read:

6           71.28 **(3)** (c) 7. No credit may be claimed under this subsection for taxable years  
7 that begin after December 31, 2004. Credits that are claimed under this subsection  
8 for taxable years that begin before January 1, 2005, may be carried forward to  
9 taxable years that begin after December 31, 2004.

10          **SECTION 3.** 71.47 (3) (c) 7. of the statutes is created to read:

11          71.47 **(3)** (c) 7. No credit may be claimed under this subsection for taxable years  
12 that begin after December 31, 2004. Credits that are claimed under this subsection  
13 for taxable years that begin before January 1, 2005, may be carried forward to  
14 taxable years that begin after December 31, 2004.

15          **SECTION 4.** 77.54 (2) of the statutes is amended to read:

16          77.54 **(2)** The gross receipts from sales of and the storage, use, or other  
17 consumption of tangible personal property becoming an ingredient or component  
18 part of an article of tangible personal property or which that is consumed or  
19 destroyed or loses its identity in the manufacture of tangible personal property in  
20 any form destined for sale, ~~but this exemption shall not include fuel or electricity~~  
21 except as provided in sub. (30) (a) 6.

22          **SECTION 5.** 77.54 (30) (a) 6. of the statutes is created to read:

23          77.54 **(30)** (a) 6. Fuel and electricity sold for use in manufacturing tangible  
24 personal property in this state.

25          **SECTION 6. Initial applicability.**

