



1997 ASSEMBLY BILL 446

July 10, 1997 - Introduced by Representatives JESKEWITZ, MUSSER, LADWIG, HUEBSCH, STASKUNAS, LORGE, KLUSMAN, POWERS, SYKORA, OLSEN, KELSO, GUNDERSON, ALBERS, SERATTI, HANSON, OWENS and PLOUFF, cosponsored by Senators FARROW, DARLING, HUELSMAN and ROSENZWEIG. Referred to Committee on Ways and Means.

1 **AN ACT** *to renumber and amend* 77.70; *to amend* 77.71 (1), 77.71 (2), 77.71 (3),
2 77.71 (4) and 77.77; and *to create* 77.70 (2) of the statutes; **relating to:** the rate
3 for the county sales tax and use tax and discontinuing the requirement that the
4 proceeds of those taxes be used solely for property tax relief.

Analysis by the Legislative Reference Bureau

Under current law, counties may impose a sales tax and a use tax at the rate of 0.5%. Under this bill, counties may impose those taxes at a rate of 0.5% or less, and counties that have imposed those taxes may change the rate if the new rate does not exceed 0.5%. The bill also discontinues the requirement that the proceeds of those taxes be used solely for property tax relief.

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

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

5 **SECTION 1.** 77.70 of the statutes is renumbered 77.70 (1) and amended to read:
6 77.70 (1) Any county desiring to impose county sales and use taxes under this
7 subchapter may do so by the adoption of an ordinance, stating its purpose and

ASSEMBLY BILL 446**SECTION 1**

1 referring to this subchapter. That ordinance shall specify the rate of the tax, which
2 may be 0.5% or less of gross receipts. The county sales and use taxes may be imposed
3 only ~~for the purpose of directly reducing the property tax levy and only~~ in their
4 entirety as provided in this subchapter. That ordinance shall be effective on the first
5 day of January, the first day of April, the first day of July or the first day of October.
6 A certified copy of that ordinance shall be delivered to the secretary of revenue at
7 least 120 days prior to its effective date.

8 **(3)** The repeal of ~~any such an ordinance under sub. (1)~~ shall be effective on
9 December 31. A certified copy of a repeal ordinance shall be delivered to the secretary
10 of revenue at least 60 days before the effective date of the repeal.

11 **SECTION 2.** 77.70 (2) of the statutes is created to read:

12 77.70 (2) A county that has imposed a tax under this subchapter may change
13 the rate of the tax by ordinance. The new rate may be 0.5% or less. The ordinance
14 is effective on the first day of January, the first day of April, the first day of July or
15 the first day of October. The county shall deliver a certified copy of that ordinance
16 to the secretary of revenue at least 120 days before its effective date.

17 **SECTION 3.** 77.71 (1) of the statutes is amended to read:

18 77.71 (1) For the privilege of selling, leasing or renting tangible personal
19 property and for the privilege of selling, performing or furnishing services a sales tax
20 is imposed upon retailers at the rate of 0.5% under s. 77.70 in the case of a county
21 tax or at the rate under s. 77.705 in the case of a special district tax of the gross
22 receipts from the sale, lease or rental of tangible personal property, except property
23 taxed under sub. (4), sold, leased or rented at retail in the county or special district
24 or from selling, performing or furnishing services described under s. 77.52 (2) in the
25 county or special district.

ASSEMBLY BILL 446

1 **SECTION 4.** 77.71 (2) of the statutes is amended to read:

2 77.71 (2) An excise tax is imposed at the rate of ~~0.5%~~ under s. 77.70 in the case
3 of a county tax or at the rate under s. 77.705 in the case of a special district tax of the
4 sales price upon every person storing, using or otherwise consuming in the county
5 or special district tangible personal property or services if the property or service is
6 subject to the state use tax under s. 77.53, except that a receipt indicating that the
7 tax under sub. (1), (3) or (4) has been paid relieves the buyer of liability for the tax
8 under this subsection and except that if the buyer has paid a similar local tax in
9 another state on a purchase of the same property or services that tax shall be credited
10 against the tax under this subsection and except that for motor vehicles that are used
11 for a purpose in addition to retention, demonstration or display while held for sale
12 in the regular course of business by a dealer the tax under this subsection is imposed
13 not on the sales price but on the amount under s. 77.53 (1m).

14 **SECTION 5.** 77.71 (3) of the statutes is amended to read:

15 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
16 activities within the county or special district, at the rate of ~~0.5%~~ under s. 77.70 in
17 the case of a county tax or at the rate under s. 77.705 in the case of a special district
18 tax of the sales price of tangible personal property that is used in constructing,
19 altering, repairing or improving real property and that becomes a component part
20 of real property in that county or special district, unless the contractor has paid the
21 sales tax of a county in the case of a county tax or of a special district in the case of
22 a special district tax in this state on that property, and except that if the buyer has
23 paid a similar local sales tax in another state on a purchase of the same property that
24 tax shall be credited against the tax under this subsection.

25 **SECTION 6.** 77.71 (4) of the statutes is amended to read:

ASSEMBLY BILL 446**SECTION 6**

1 77.71 (4) An excise tax is imposed at the rate of ~~0.5%~~ under s. 77.70 in the case
2 of a county tax or at the rate under s. 77.705 in the case of a special district tax of the
3 sales price upon every person storing, using or otherwise consuming a motor vehicle,
4 boat, snowmobile, mobile home not exceeding 45 feet in length, trailer, semitrailer,
5 all-terrain vehicle or aircraft, if that property must be registered or titled with this
6 state and if that property is to be customarily kept in a county that has in effect an
7 ordinance under s. 77.70 or in a special district that has in effect a resolution under
8 s. 77.705, except that if the buyer has paid a similar local sales tax in another state
9 on a purchase of the same property that tax shall be credited against the tax under
10 this subsection.

11 **SECTION 7.** 77.77 of the statutes is amended to read:

12 **77.77 Transitional provisions.** (1) The gross receipts from services subject
13 to the tax under s. 77.52 (2) are not subject to the taxes under this subchapter, and
14 ~~the incremental amount of tax caused by a rate increase~~ rate for the tax applicable
15 to those services is ~~not due~~ the rate that was in effect before the rate change, if those
16 services are billed to the customer and paid for before the effective date of the county
17 ordinance under s. 77.70 (1), special district resolution under s. 77.705 or the rate
18 ~~increase~~ change under s. 77.70 (2), whether the service is furnished to the customer
19 before or after that date.

20 (2) Lease or rental receipts from tangible personal property that the lessor is
21 obligated to furnish at a fixed price under a contract entered into before the effective
22 date of a county ordinance under s. 77.70 (1) or special district resolution under s.
23 77.705 are subject to the taxes under this subchapter on the effective date of the
24 ordinance or resolution, as provided for the state sales tax under s. 77.54 (18). Lease

ASSEMBLY BILL 446

1 or rental receipts are taxable at the rate that is in effect when the receipts are
2 received.

3 (3) The sale of building materials to contractors engaged in the business of
4 constructing, altering, repairing or improving real estate for others is not subject to
5 the taxes under this subchapter, and the ~~incremental amount of tax caused by the~~
6 ~~rate increase~~ rate for the tax applicable to those materials is ~~not due~~ the rate that
7 was in effect before the rate change, if the materials are affixed and made a
8 structural part of real estate, and the amount payable to the contractor is fixed
9 without regard to the costs incurred in performing a written contract that was
10 irrevocably entered into prior to the effective date of the county ordinance under s.
11 77.70 (1), special district resolution under s. 77.705 or the rate increase change under
12 s. 77.70 (2) or that resulted from the acceptance of a formal written bid accompanied
13 by a bond or other performance guaranty that was irrevocably submitted before that
14 date.

15 (END)