



2011 SENATE BILL 362

January 5, 2012 - Introduced by Senators GROTHMAN, COWLES and HOLPERIN, cosponsored by Representatives JACQUE, BROOKS, KAUFERT, RIVARD, SPANBAUER, STEINEKE, STRACHOTA, STROEBEL and WYNN. Referred to Joint Survey Committee on Tax Exemptions.

- 1 **AN ACT** *to create* 77.54 (9a) (j) of the statutes; **relating to:** a sales and use tax
2 exemption for building materials that become a part of a facility for a local unit
3 of government or nonprofit organization.

Analysis by the Legislative Reference Bureau

Under current law, municipalities, school districts, and certain nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. To receive the sales tax or use tax exemption, the municipality, school district, or nonprofit organization must purchase the tangible personal property. A construction contractor hired by the municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a municipality, school district, or nonprofit organization construction project.

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a municipality or nonprofit organization is exempt from the sales tax and the use tax. The exemption applies to tangible personal property purchased by a construction contractor who transfers the property to the municipality or nonprofit organization as part of constructing the facility.

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.

