



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-5281/1
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2023 SENATE BILL 815

December 19, 2023 - Introduced by Senators SPREITZER and AGARD, cosponsored by Representatives PALMERI, MADISON, C. ANDERSON, RATCLIFF, J. ANDERSON, OHNSTAD and BALDEH. Referred to Committee on Universities and Revenue.

1 **AN ACT** *to amend* 20.566 (1) (g), 20.566 (1) (gi) (title), 20.835 (4) (g), 20.835 (4)
2 (gi) (title), 77.701 (title), 77.71 (intro.), 77.71 (1), 77.71 (2), 77.71 (3), 77.71 (4),
3 77.71 (5) and 77.76 (4); and *to create* 20.566 (1) (gj), 20.835 (4) (gj), 77.70 (3),
4 77.702 and 77.76 (3t) of the statutes; **relating to:** additional local sales and use
5 taxes and making an appropriation.

Analysis by the Legislative Reference Bureau

Current law allows a county to enact an ordinance to impose sales and use taxes at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. The county must use the revenue from the taxes for property tax relief. This bill allows a county to impose, by ordinance, an additional sales and use tax at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. The revenue from those taxes may be used for any purpose designated by the county board or specified in the ordinance.

The bill also allows a municipality to enact an ordinance to impose sales and use taxes at the rate of 0.5 percent of the sales price or purchase price on tangible personal property and taxable services. The revenue from those taxes may be used for any purpose designated by the governing body of the municipality or specified in the ordinance.

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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:

1 **SECTION 1.** 20.566 (1) (g) of the statutes is amended to read:

2 20.566 (1) (g) *Administration of county sales and use taxes.* From moneys
3 received from the appropriation under s. 20.835 (4) (g), the amounts in the schedule
4 for the purpose of administering the county taxes under subch. V of ch. 77. The
5 balance of all taxes collected under subch. V of ch. 77, after the distribution under
6 s. 77.76 (3), shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a),
7 at the end of the fiscal year the unencumbered balance of this appropriation account
8 ~~lapses to the general fund~~ shall be transferred to the appropriation account under
9 s. 20.835 (4) (g).

10 **SECTION 2.** 20.566 (1) (gi) (title) of the statutes, as created by 2023 Wisconsin
11 Act 19, is amended to read:

12 20.566 (1) (gi) (title) *Administration of municipality taxes of 1st class cities.*

13 **SECTION 3.** 20.566 (1) (gj) of the statutes is created to read:

14 20.566 (1) (gj) *Administration of municipality taxes.* From the moneys
15 transferred from the appropriation account under s. 20.835 (4) (gj), the amounts in
16 the schedule for administering the municipality taxes imposed under s. 77.702.
17 Notwithstanding s. 20.001 (3) (a), at the end of the fiscal year the unencumbered
18 balance of this appropriation account shall be transferred to the appropriation
19 account under s. 20.835 (4) (gj).

20 **SECTION 4.** 20.835 (4) (g) of the statutes is amended to read:

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1 20.835 (4) (g) *County taxes*. All moneys received from the taxes imposed under
2 s. 77.70, and from the appropriation account under s. 20.566 (1) (g), for distribution
3 to the counties that enact an ordinance imposing taxes under that section and for
4 interest payments on refunds under s. 77.76 (3), except that 1.75 percent of those tax
5 revenues collected under that section shall be credited to the appropriation account
6 under s. 20.566 (1) (g).

7 **SECTION 5.** 20.835 (4) (gi) (title) of the statutes, as created by 2023 Wisconsin
8 Act 19, is amended to read:

9 20.835 (4) (gi) (title) *Municipality taxes of 1st class cities*.

10 **SECTION 6.** 20.835 (4) (gj) of the statutes is created to read:

11 20.835 (4) (gj) *Municipality taxes*. All moneys received from the taxes imposed
12 under s. 77.702, and from the appropriation account under s. 20.566 (1) (gj), for
13 distribution to the municipalities that enact an ordinance imposing taxes under that
14 section and for interest payments on refunds under s. 77.76 (3t), except that 0.75
15 percent of those tax revenues collected under that section shall be credited to the
16 appropriation account under s. 20.566 (1) (gj).

17 **SECTION 7.** 77.70 (3) of the statutes is created to read:

18 77.70 (3) In addition to the taxes imposed under subs. (1) and (2), a county may,
19 by ordinance, impose a sales and use tax under this subchapter at the rate of 0.5
20 percent of the sales price or purchase price. The revenue from the taxes imposed
21 under this subsection may be used for any purpose designated by the county board
22 or specified in the ordinance. The taxes imposed under this subsection may be
23 imposed only in their entirety as provided in this subchapter. An ordinance adopted
24 under this subsection shall be effective on January 1, April 1, July 1, or October 1.
25 A certified copy of that ordinance shall be delivered to the secretary of revenue at

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1 least 120 days prior to its effective date. The repeal of any such ordinance shall be
2 effective on December 31. A certified copy of a repeal ordinance shall be delivered
3 to the secretary of revenue at least 120 days before the effective date of the repeal.
4 Except as provided under s. 77.60 (9), the department of revenue may not issue any
5 assessment or act on any claim for a refund or any claim for an adjustment under s.
6 77.585 after the end of the calendar year that is 4 years after the year in which the
7 county has enacted a repeal ordinance under this subsection.

8 **SECTION 8.** 77.701 (title) of the statutes, as created by 2023 Wisconsin Act 12,
9 is amended to read:

10 **77.701 (title) Adoption by municipal ordinance; 1st class cities.**

11 **SECTION 9.** 77.702 of the statutes is created to read:

12 **77.702 Adoption by municipal ordinance; generally.** A municipality may,
13 by ordinance, impose a sales and use tax under this subchapter at the rate of 0.5
14 percent of the sales price or purchase price. The revenue from the taxes imposed
15 under this section may be used for any purpose designated by the governing body of
16 the municipality or specified in the ordinance. The taxes imposed under this section
17 may be imposed only in their entirety as provided in this subchapter. An ordinance
18 adopted under this section shall be effective on January 1, April 1, July 1, or October
19 1. A certified copy of that ordinance shall be delivered to the secretary of revenue at
20 least 120 days prior to its effective date. The repeal of any such ordinance shall be
21 effective on December 31. A certified copy of a repeal ordinance shall be delivered
22 to the secretary of revenue at least 120 days before the effective date of the repeal.
23 Except as provided under s. 77.60 (9), the department of revenue may not issue any
24 assessment nor act on any claim for a refund or any claim for an adjustment under

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1 s. 77.585 after the end of the calendar year that is 4 years after the year in which the
2 municipality has enacted a repeal ordinance under this section.

3 **SECTION 10.** 77.71 (intro.) of the statutes, as affected by 2023 Wisconsin Act 12,
4 is amended to read:

5 **77.71 Imposition of county, municipality, and special district sales and**
6 **use taxes.** (intro.) Whenever a sales and use tax ordinance is adopted under s. 77.70
7 ~~or~~, 77.701, or 77.702 or a ~~special district~~ resolution is adopted under s. 77.705 or
8 77.706, the following taxes are imposed:

9 **SECTION 11.** 77.71 (1) of the statutes, as affected by 2023 Wisconsin Act 12, is
10 amended to read:

11 77.71 (1) For the privilege of selling, licensing, leasing, or renting tangible
12 personal property and the items, property, and goods specified under s. 77.52 (1) (b),
13 (c), and (d), and for the privilege of selling, licensing, performing, or furnishing
14 services a sales tax is imposed upon retailers at the rates under s. 77.70 in the case
15 of a county tax, at the rate under s. 77.701 or 77.702 in the case of a municipality tax,
16 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
17 price from the sale, license, lease, or rental of tangible personal property and the
18 items, property, and goods specified under s. 77.52 (1) (b), (c), and (d), except property
19 taxed under sub. (4), sold, licensed, leased, or rented at retail in the county,
20 municipality, or special district, or from selling, licensing, performing, or furnishing
21 services described under s. 77.52 (2) in the county, municipality, or special district.

22 **SECTION 12.** 77.71 (2) of the statutes, as affected by 2023 Wisconsin Act 12, is
23 amended to read:

24 77.71 (2) An excise tax is imposed at the rates under s. 77.70 in the case of a
25 county tax, at the rate under s. 77.701 or 77.702 in the case of a municipality tax, or

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1 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase
2 price upon every person storing, using, or otherwise consuming in the county,
3 municipality, or special district tangible personal property, or items, property, or
4 goods specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal
5 property, item, property, good, or service is subject to the state use tax under s. 77.53,
6 except that a receipt indicating that the tax under sub. (1), (3), (4), or (5) has been
7 paid relieves the buyer of liability for the tax under this subsection and except that
8 if the buyer has paid a similar local tax in another state on a purchase of the same
9 tangible personal property, item, property, good, or service 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 purchase price but on the amount under s. 77.53 (1m).

14 **SECTION 13.** 77.71 (3) of the statutes, as affected by 2023 Wisconsin Act 12, is
15 amended to read:

16 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
17 activities within the county or special district at the rates under s. 77.70 in the case
18 of a county tax, at the rate under s. 77.701 or 77.702 in the case of a municipality tax,
19 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the
20 purchase price of tangible personal property or items, property, or goods under s.
21 77.52 (1) (b), (c), or (d) that are used in constructing, altering, repairing, or improving
22 real property and that became a component part of real property in that county,
23 municipality, or special district, except that if the contractor has paid the sales tax
24 of a county, municipality, or special district in this state on that tangible personal
25 property, item, property, or good, or has paid a similar local sales tax in another state

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1 on a purchase of the same tangible personal property, item, property, or good, that
2 tax shall be credited against the tax under this subsection.

3 **SECTION 14.** 77.71 (4) of the statutes, as affected by 2023 Wisconsin Act 12, is
4 amended to read:

5 77.71 (4) An excise tax is imposed at the rates under s. 77.70 in the case of a
6 county tax, at the rate under s. 77.701 or 77.702 in the case of a municipality tax, or
7 at the rate under s. 77.705 or 77.706 in the case of a special district tax of the purchase
8 price upon every person storing, using, or otherwise consuming a motor vehicle, boat,
9 recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be
10 registered or titled with this state and if that property is to be customarily kept in
11 a county that has in effect an ordinance under s. 77.70, in a municipality that has
12 in effect an ordinance under s. 77.701 or 77.702, or in a special district that has in
13 effect a resolution under s. 77.705 or 77.706, except that if the buyer has paid a
14 similar local sales tax in another state on a purchase of the same property, that tax
15 shall be credited against the tax under this subsection. The lease or rental of a motor
16 vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft is not taxed
17 under this subsection if the lease or rental does not require recurring periodic
18 payments.

19 **SECTION 15.** 77.71 (5) of the statutes, as affected by 2023 Wisconsin Act 12, is
20 amended to read:

21 77.71 (5) An excise tax is imposed on the purchase price for the lease or rental
22 of a motor vehicle, boat, recreational vehicle, as defined in s. 340.01 (48r), or aircraft
23 at the rates under s. 77.70 in the case of a county tax, at the rate under s. 77.701 or
24 77.702 in the case of a municipality tax, or at the rate under s. 77.705 or 77.706 in
25 the case of a special district tax upon every person storing, using, or otherwise

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1 consuming in the county, municipality, or special district the motor vehicle, boat,
2 recreational vehicle, as defined in s. 340.01 (48r), or aircraft if that property must be
3 registered or titled with this state and if the lease or rental does not require recurring
4 periodic payments, except that a receipt indicating that the tax under sub. (1) had
5 been paid relieves the purchaser of liability for the tax under this subsection and
6 except that if the purchaser has paid a similar local tax in another state on the same
7 lease or rental of such motor vehicle, boat, recreational vehicle, as defined in s. 340.01
8 (48r), or aircraft, that tax shall be credited against the tax under this subsection.

9 **SECTION 16.** 77.76 (3t) of the statutes is created to read:

10 77.76 (3t) From the appropriation under s. 20.835 (4) (gj), the department shall
11 distribute 99.25 percent of the municipality taxes reported for each enacting
12 municipality, minus the municipality portion of the retailers' discounts, to the
13 municipality and shall indicate the taxes reported by each taxpayer, no later than
14 75 days following the last day of the calendar quarter in which such amounts were
15 reported. In this subsection, the "municipality portion of the retailers' discount" is
16 the amount determined by multiplying the total retailers' discount by a fraction the
17 numerator of which is the gross municipality sales and use taxes payable and the
18 denominator of which is the sum of the gross state and municipality sales and use
19 taxes payable. The municipality taxes distributed shall be increased or decreased
20 to reflect subsequent refunds, audit adjustments, and all other adjustments of the
21 municipality taxes previously distributed. Interest paid on refunds of municipality
22 sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (gj) at
23 the rate paid by this state under s. 77.60 (1) (a). Any municipality receiving a report
24 under this subsection is subject to the duties of confidentiality to which the
25 department of revenue is subject under s. 77.61 (5) and (6).

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1 **SECTION 17.** 77.76 (4) of the statutes, as affected by 2023 Wisconsin Act 12, is
2 amended to read:

3 **77.76 (4)** There shall be retained by the state 1.5 percent of the taxes collected
4 for taxes imposed by special districts under ss. 77.705 and 77.706 and, 1.75 percent
5 of the taxes collected for taxes imposed by counties under s. 77.70 and for taxes
6 imposed by municipalities under s. 77.701, and 0.75 percent of the taxes collected for
7 taxes imposed by municipalities under s. 77.702 to cover costs incurred by the state
8 in administering, enforcing, and collecting the tax. All interest and penalties
9 collected shall be deposited and retained by this state in the general fund.

10 **SECTION 18. Effective date.**

11 (1) This act takes effect on July 1, 2024.

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(END)