

No. 286, A.]

[Published October 10, 1959.

**CHAPTER 532**

AN ACT to amend 70.18 (2) ; and to repeal and recreate 70.111 (10) (b) of the statutes, relating to personal property exempt from taxation.

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

SECTION 1. 70.111 (10) (b) of the statutes is repealed and recreated to read:

70.111 (10) (b) 1. Merchandise produced or manufactured in this state, when in a commercial storage warehouse or on a public wharf in this state in the custody of the operator of such warehouse or wharf, which merchandise is intended for shipment and shipped directly from such warehouse or wharf to a destination outside this state in the same package or container in which stored in such warehouse or on such wharf, while so in storage, shall be considered in transit and exempt from personal property taxation, except as hereinafter provided.

2. For the purposes of this paragraph, merchandise shall be deemed to have been shipped directly to a destination outside this state if, and only if, prior to the May 1 next succeeding the date on which exemption of such merchandise was granted under this paragraph: a. Such merchandise was, in fact, shipped directly to a destination outside this state; or b. Such merchandise was transferred directly to the custody of a

carrier and was, by such carrier, or a connecting carrier, transported to a destination outside this state; or c. Such merchandise was transferred directly to the custody of a person who was then the operator of a commercial storage warehouse or public wharf and it was from his custody shipped directly to a destination outside this state.

2a. The exemption shall apply to bulk powdered milk products when in a commercial storage warehouse in this state intended for shipment and ultimately shipped to a destination outside this state whether in the same package or container, or whether returned for repackaging, as long as the product stored is in no way reprocessed or in any way changed.

3. No exemption shall be allowed under this paragraph unless the owner of such merchandise files a sworn statement with the assessor for the district in which the merchandise would be assessed if not exempt, not later than May 25 of the year for which exemption is sought, stating that he was the owner of such property on May 1, describing such property and stating the quantity, value and location thereof as of May 1, and attesting that such merchandise was produced or manufactured in this state and is intended for shipment directly from such warehouse or wharf for sale, consignment or use outside this state (whether the precise destination is then known or not) in the same package in which stored as of May 1 in such warehouse or on such wharf.

4. No exemption shall be allowed under this paragraph for any merchandise which was exempt from taxation pursuant to such paragraph in any prior year.

5. Any merchandise accorded exemption under this paragraph in any year when, for any reason, such merchandise was not entitled to such exemption, shall be treated as property omitted from assessment, and shall thereafter be assessed as omitted property, as provided in s. 70.44.

6. On or before May 25 of the year following the granting of an exemption for merchandise under this paragraph, the person owning such merchandise at the time of exemption shall file with the assessor for the district in which the merchandise would have been assessed if not exempt under this paragraph, a sworn statement on a form to be prepared by the department of taxation disclosing whether all such merchandise was in fact shipped prior to the May 1 following the May 1 on which the exemption was granted to a destination outside the state by any of the means specified in subd. 2, and if not, the quantity and value of such merchandise as remained in the warehouse on the second May 1 and the quantity, value and destination of any such merchandise as was transferred from the warehouse prior to the second May 1 by any means not included in subd. 2. If such affidavit is not so filed, all the merchandise for which exemption was granted for the May 1 of the previous year shall be assessed as omitted property not entitled to exemption under this paragraph.

7. For the purposes of this subsection "commercial storage warehouse" or "public wharf" is any warehouse, dock or port facility operated by any person engaged in the business of storing as bailee for hire and for profit who is licensed under ss. 99.02 or 100.13. But no portion of a warehouse, dock or port facility owned by the owner, purchaser or consignee of merchandise for which exemption is sought under this subsection, or leased to or operated by such owner or any affiliate or subsidiary of such owner, or any corporation, any substantial part of whose capital stock is owned by stockholders of such owner, or leased to or operated by any individual related to such owner within any of the degrees of consanguinity or affinity set out in s. 71.09 (6) (b), shall be a "commercial storage warehouse" or "public wharf" for purposes of this subsection.

8. For the purposes of this subsection, it shall be presumed that a warehouse, dock or port facility is not operated by a person "engaged

in the business of storing as bailee for hire and for profit" if the warehouseman operating the warehouse, dock or port facility wherein merchandise claimed to be exempt under this paragraph is stored: a. Has less than 3 customers; or b. Obtained more than 70 per cent of his gross storage revenue for his preceding fiscal year from any one bailor; or c. Utilizes more than 70 per cent of his utilized storage space on the May 1 for which exemption is claimed for the storage of merchandise of any one bailor.

SECTION 2. 70.18 (2) of the statutes is amended to read:

70.18 (2) Goods, wares and merchandise in storage in a commercial storage warehouse or on a public wharf, except as provided in s. 70.111 (10) (a) and (b), shall be assessed to the owner thereof and not to the warehouse or public wharf, if the operator of the warehouse or public wharf furnishes to the assessor the names and addresses of the owners of all goods, wares and merchandise not exempt from taxation.

SECTION 3. The provisions of this act shall be effective with the May 1, 1959, assessment.

Approved October 6, 1959.

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