

## 1999 ASSEMBLY BILL 90

February 4, 1999 - Introduced by Representatives ZIEGELBAUER, F. LASEE, CARPENTER, CULLEN, GRONEMUS, GROTHMAN, J. LEHMAN, MUSSER, PLALE, POWERS, RYBA, SYKORA, TURNER and WASSERMAN, cosponsored by Senators PLACHE and GROBSCHMIDT. Referred to Committee on Ways and Means.

1 AN ACT *to amend* 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; **relating**  
2 **to:** sales taxes for coupon purchases.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the state imposes a retail tax upon all retailers at the rate of 5% of the gross receipts from the sale of goods. The retailer generally passes the tax on to the consumer. Under current law, when a consumer purchases an item with an in-store coupon, the consumer pays the passed-on sales tax on the reduced price. However, when a consumer purchases an item with a manufacturer's coupon, the consumer pays sales tax on the original price.

Under this bill, a manufacturer's coupon or rebate is treated the same as an in-store coupon. Therefore, when a consumer purchases an item using a manufacturer's coupon, the consumer pays the passed-on sales tax on the reduced price rather than the original price.

For further information see the *state* 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:***

3 SECTION 1. 77.51 (4) (b) 1. of the statutes is amended to read:  
4 77.51 (4) (b) 1. Cash or term discounts, or manufacturer's coupons or rebates,  
5 allowed and taken on sales;

