

1999 DRAFTING REQUEST

Bill

Received: 12/9/98

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Bonnie Ladwig (608) 266-9171

By/Representing: Rep. Ladwig

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for clothing and shoes

Instructions:

See Attached. Redraft 1997 AB 911 (-5125) that creates a sales and use tax exemption for clothing and shoes w/ a value of less than \$100.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 12/9/98	ptellez 12/10/98		_____			S&L Tax
/1			hhagen 12/11/98	_____	lrb_docadmin 12/11/98	lrb_docadmin 05/19/99	
				_____	lrb_docadmin 05/19/99		
				_____	lrb_docadmin 05/19/99		

FE Sent For (05/19/99.)
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1?	shoveme	<i>1 est 12/10/98</i>					
		<i>1 jlg 12/10</i>	<i># 12/10</i>	<i>UF 12/11</i>			

FE Sent For:

<END>

-1178/1
LRB-5125/1
JS:jlg,hmh
MES:pgt:
JLR MNR

1999 ~~1997~~ ASSEMBLY BILL ~~911~~

March 16, 1998 – Introduced by Representatives KELSO, LADWIG, KREIBICH, LAZICH, GROTHMAN, UNDERHEIM, PORTER, HUEBSCH, NASS, F. LASEE, ~~HANDRICK~~, SPILLNER, SERATTI, ZUKOWSKI, DOBYNS, WALKER, WARD, GRONEMUS, RYBA, JOHNSRUD, BLACK, HASENOHRL, REYNOLDS, WILLIAMS, ~~TURNER~~ and WOOD. Referred to Joint survey committee on Tax Exemptions.

refer

1 AN ACT to create 77.54 (44) of the statutes; relating to: creating a sales tax and
2 use tax exemption for clothing and shoes. ✓

Analysis by the Legislative Reference Bureau

This bill creates a sales tax and use tax exemption for clothing and shoes the value of which is less than \$100. ✓

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

3 SECTION 1. 77.54 (44) of the statutes is created to read:

4 77.54 (44) The gross receipts from the sale of and the storage, use or other
5 consumption in this state of clothing and shoes if the sales price of the clothing or
6 shoes is less than \$100. ✓

7 SECTION 2. Effective date.

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 12/11/98

To: Representative Ladwig

Relating to LRB drafting number: LRB-1178

Topic

Sales and use tax exemption for clothing and shoes

Subject(s)

Tax - sales

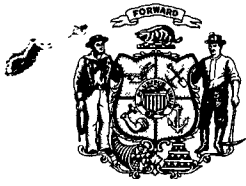
1. **JACKET** the draft for introduction Bonnie Ladwig
in the **Senate** or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction Bonnie Ladwig.
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION (608) 266-3561
REFERENCE SECTION (608) 266-0341
FAX (608) 266-5648

STEPHEN R MILLER
CHIEF

June 2, 1999

LRB
/

MEMORANDUM

To: Representative Ladwig

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 (Un-Introduced)** (LRB 99-1178/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.



MEMORANDUM

May 28, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on LRB 1178/1, Relating to a Sales and Use Tax Exemption for Clothing Costing Less Than \$100.

The Department of Revenue would find useful an explicit definition in the bill of the types of personal property that would qualify for the proposed exemption. Some examples of areas where guidance would be useful include:

- The treatment of athletic uniforms.
- The treatment of items used in clothing repairs and other accessories to clothing, such as shoelaces, buttons and zippers.
- The treatment of articles of clothing typically sold as a unit, for example, a suit coat, pants and vest, when the price of the unit exceeds \$100 but the price of each individual component is less than \$100.
- Whether or not the exemption applies to all articles of clothing that are sold for less than \$100, or only if the total amount of clothing or shoe purchase is less than \$100.

We also suggest that the bill's language be revised to limit the exemption to clothing and shoes to be worn by humans in order to eliminate confusion regarding the statutory definition of clothes and shoes.

The sponsor may find it useful to look at legislative language in Massachusetts and Connecticut, which have similar tax exemptions for clothing and shoes. Other states have enacted legislation granting temporary sales tax exemptions. Of these, Florida's statute (HB4407, enacted in June 1998) contained very explicit language as to the items that were covered by the exemption.

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language needs to be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE Positions</u>
One-time Cost	20.566 (1)(a)	\$50,700	--

If you have any questions regarding this technical memorandum, please contact John Stott at 266-9706. For questions regarding administrative costs, please contact Pat Lashore at 266-3347.

YEB:JTS:dls
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