1999 ASSEMBLY BILL 619

December 13, 1999 – Introduced by Representatives M. Lehman, Wood, Sykora and Ziegelbauer. 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**
- to: the sales tax and the use tax on purchases made with a manufacturer's rebate.

Analysis by the Legislative Reference Bureau

Under current law, the state imposes a sales tax on all retailers at the rate of 5% of the gross receipts from the sale of tangible personal property. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5% of the sales price for the use or storage of tangible personal property in this state that the consumer purchases from out–of–state retailers. Under current law, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.

Under this bill, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.

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:

ASSEMBLY BILL 619

1	SECTION 1. 77.51 (4) (b) 1. of the statutes is amended to read:
2	77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer
3	of the item sold that reduce the amount paid by the purchaser of the item at the time
4	of sale; allowed and taken on sales;
5	Section 2. 77.51 (15) (b) 1. of the statutes is amended to read:
6	77.51 (15) (b) 1. Cash discounts: or amounts paid by the manufacturer of the
7	item sold that reduce the amount paid by the purchaser of the item at the time of sale
8	allowed and taken on sales;
9	Section 3. Effective date.
10	(1) Manufacturers' rebates. This act takes effect on the first day of the 2nd
11	month beginning after publication.
12	(END)

(END)