## 1999 ASSE MBLY BILL 619

December 13, 1999 - Introduced by Representatives M. Lehman, Wood, Sykora and Ziegelbauer. Referred to Committee on Ways and Means.

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.

## Anal ysis 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.

F or 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:

Section 1. 77.51 (4) (b) 1 . of the statutes is amended to read:
77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer of the item sold that reduce the amount paid by the purchaser of the item at the time of sale; allowed and taken on sales;

Section 2. 77.51 (15) (b) 1 . of the statutes is amended to read:
77.51 (15) (b) 1. Cash discounts; or amounts paid by the manufacturer of the item sold that reduce the amount paid by the purchaser of the item at the time of sale; allowed and taken on sales;

## Section 3. Effective date.

(1) Manufacturers' rebates. This act takes effect on the first day of the 2 nd month beginning after publication.
(END)

