

**1999 DRAFTING REQUEST**

**Bill**

Received: **10/26/1999**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Michael Lehman (608) 267-2367**

By/Representing: **Bill Ford**

This file may be shown to any legislator: NO

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - sales**

Extra Copies:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

the sales tax on purchases made with a rebate

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**Instructions:**

See Attached; contact Bill Ford at legis. council

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**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>
/1	jkreye 10/26/1999	ygeller 10/27/1999	hhagen 10/27/1999	_____	lrb_docadmin 10/27/1999	lrb_docadminS&L 11/23/1999	

FE Sent For:

<END>

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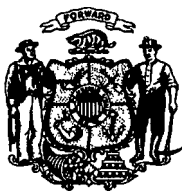
See Attached; contact Bill Ford at **legis.council**

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FE Sent For:

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JGRMR

in 10-26-99

SOON

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1 **AN ACT** ...; relating to: the sales tax and the use tax on purchases made with a  
2 manufacturer's rebate.

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**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.

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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:

/@

1  
2

1 77.51 (4) (b) 1. Cash or term discounts or amounts paid by the manufacturer  
2 of the item sold that reduce the amount paid by the purchaser of the item at the time  
3 of sale; allowed and taken on sales;

4 SECTION 2. 77.51 (15) (b) 1. of the statutes is amended to read:

5

5 77.51 (15) (b) 1. Cash discounts or amounts paid by the manufacturer of the  
6 item sold that reduce the amount paid by the purchaser of the item at the time of sale;  
7 allowed and taken on sales;

8 SECTION 3. Effective date.

9 (1) MANUFACTURERS' REBATES. This act takes effect on the first day of the <sup>✓</sup>2nd  
10 month beginning after publication.

11 (END)

**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:** 1 0/27/1 999

**To:** Representative M. Lehman

**Relating to LRB drafting number:** LRB-3816

**Topic**

the sales tax on purchases made with a rebate

**Subject(s)**

Tax - sales

1. **JACKET** the draft for introduction

Michael Lehman

**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 \_\_\_\_\_

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.

Joseph T. Kreye, Legislative Attorney  
Telephone: (608) 266-2263