



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-243 7/11, 2

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SOON

1999 BILL

in 9-7-99

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1 **AN ACT** to **repeal** 71.80 (19) (a) (title), 71.80 (19) (b), 71.80 (19) (c) and 77.54 (3)

2 (b) 3.; to **renumber and amend** 71.80 (19) (a) and 77.59 (4) (c); to **amend** 50.14

3 (4), 71.09 (1) (b), 71.09 (13)(a) 2., 71.10 (6) (a), 71.10 (6) (b), 71.10 (6m) (a), 71.29

4 (1) (b), 71.29 (9) (a) 2., 71.65 (5) (a) l., 73.01 (4) (a), 77.54 (5) (b), 77.54 (5) (c),

5 77.54 (6) (a), 77.54 (26m), 77.59 (5), 77.61 (3), 77.9941 (4), 77.9964 (2) and 78.68

6 (10); and to **create** 20.566 (1) (hd), 71.10 (6) (e), 71.10 (6m) (c), 71.80 (21), 72.30

7 (1m), 73.13, 77.51 (22m), 77.58 (3) (c), 78.39 (5d), 78.39 (5m), 139.11 (2r), 139.38

8 (2r), 139.75 (9m) and 139.82 (2r) of the statutes; **relating to:** the liability of

9 married persons filing a joint income tax return, the payment of the alternate

10 fuel tax and the tobacco products tax, reducing nondelinquent taxes, rounding

11 dollar amounts to whole dollars on all tax returns, allowing a mathematical

12 computation of sales and use taxes, items used exclusively for tax-exempt

13 purposes, paying taxes with a credit card, extending the time for filing a tax

14 withholding report, excluding the temporary recycling surcharge from the

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1 computation of estimated tax payments, granting rule-making authority,
2 making an appropriation and providing a penalty.

Analysis by the Legislative Reference Bureau**REDUCING TAXES**

Under current law, any taxpayer may petition the department of revenue (DOR) to reduce delinquent taxes, including any applicable costs, penalties and interest. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer under oath, the taxpayer's financial statements and any other information required by DOR, DOR determines the amount that the taxpayer is able to pay and then enters an order reducing the taxes, costs, penalties and interest owed by the taxpayer.

If within three years from the date on which DOR enters the order that reduces the taxpayer's taxes DOR determines that the taxpayer has an income or owns property that is sufficient to enable the taxpayer to pay the remainder of the original delinquent taxes, including costs, penalties and interest, DOR must reopen the order and order the payment in full of such taxes, costs, penalties and interest.

This bill expands current law so that DOR is authorized to reduce any taxes, costs, penalties and interest that are due from a taxpayer, regardless of whether the taxes, costs, penalties and interest are delinquent.

INCOME AND FRANCHISE TAXES

Under current law, spouses that file a joint income tax return are both liable for the payment of any tax related to that return. However, DOR may relieve a person of any tax liability related to a joint return, in a manner specified by the Internal Revenue Code and adopted by this state. Generally, DOR may relieve a person of any tax liability related to a joint return if the person's spouse did not notify the person of any tax liability or understatement of taxes related to the joint return. This bill corrects an outdated reference to the sections of the Internal Revenue Code that relate to a spouse's tax liability for a joint income tax return. The bill also requires a spouse to apply for relief from tax liability within two years from the date on which DOR begins collection activities on the spouse's tax liability or within two years from the effective date of the provision, whichever is later.

Under current law, an employer is required to deduct and withhold state income taxes from an employee's pay and to deposit those taxes with DOR on a quarterly basis. An employer must also file a tax withholding report with DOR on a monthly, quarterly or annual basis. Under current law, DOR cannot grant an employer an extension for filing such a report. Before 1999, DOR could grant a 30-day extension for filing a withholding report to an employer who showed good cause for granting that extension. This bill restores the prior law which allowed DOR to grant such an extension.

Under current law, a temporary recycling surcharge is imposed on a business or a corporation based on the net income of a business or the gross tax liability of a corporation. The temporary recycling surcharge amount that a business or

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corporation paid in the previous taxable year is included in the calculation to determine the estimated tax payments that are due from a business or corporation for the current taxable year. The temporary recycling surcharge will not be imposed on a business or a corporation for taxable years ending after April 1, 1999. Under this bill, the temporary recycling surcharge amount will not be included in the calculation to determine the estimated tax payments that are due from a business or corporation for taxable years ending after April 1, 1999.

SALES AND USE TAXES

Under current law, a retailer is required to use a bracket system, as determined by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services. Under this bill, a retailer may also use a straight mathematical computation, under rules promulgated by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services.

Under current law, the sales of certain goods are exempt from the sales and use taxes if those goods are used exclusively for a particular purpose. This bill clarifies the scope of such exemptions by providing that the sales of certain goods are exempt from the sales and use taxes if those goods are used in a nontaxable manner to the exclusion of all other uses, except for other uses that do not exceed 5% of total use in a year.

Under current law, if a seller makes a claim for a refund of sales taxes or use taxes and the claim is honored, the seller is required to pass along the refund and related interest to the buyers and to submit to DOR the portion of the refund that could not be passed on, along with a penalty. Under current law, if a seller receives a sales or use tax refund as the result of an audit, the seller is not required to submit the refund and related interest to the buyers. Also, a seller is not required to submit to the buyers sales or use taxes that are collected erroneously.

This bill requires a seller who receives any refund of sales or use taxes, or who collects sales or use taxes erroneously, to submit such a refund or taxes to the buyer, or to DOR if the buyer cannot be located, within 60 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within that 60 days must be submitted to DOR, along with a penalty.

OTHER TAXATION

Under current law, a taxpayer may round dollar amounts on an income or franchise tax return to the nearest whole dollar. This bill permits DOR to require a taxpayer round dollar amounts to the nearest whole dollar on an income or franchise tax return. This bill also permits DOR to require that a taxpayer round dollar amounts to the nearest whole dollar on tax returns or tax reports related to sales and use taxes, estate taxes, fuel taxes, cigarette and tobacco product taxes, alcohol taxes, food and beverage taxes, premier resort area taxes, rental car fees and dry cleaning fees.

This bill allows DOR to accept payment for taxes, costs, penalties and interest from a taxpayer by use of a credit card and allows DOR to impose a credit card service charge on such payments.

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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:

1 **SECTION 1.** 20.566 (1) (hd) of the statutes is created to read:

2 **20.566 (1) (hd) *Credit card payment service charge.*** From moneys received from
3 credit card payment service charges collected under s. 71.80 (21) (c), a sum sufficient
4 to pay the costs incurred by the department of revenue to provide for the payment
5 of taxes by credit card, including the cost of contracting services under s. 71.80 (21)
6 (d).

7 **SECTION 2.** 50.14 (4) of the statutes is amended to read:

8 50.14 (4) Sections 77.59 (1) to ~~(5)~~ (5m), (6) (intro.), (a) and (c) and (7) to (10),
9 77.60 (1) to (7), (9) and (10), **77.61 (9) and (12) to (14) and 77.62**, as they apply to the
10 taxes under subch. III of ch. 77, apply to the assessment under this section.

11 **SECTION 3.** 71.09 (1) (b) of the statutes is amended to read:

12 71.09 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
13 net tax imposed under s. 71.02 after reduction for exemptions to, and credits against,
14 that tax but before reduction by amounts withheld under subch. X and before
15 reduction for amounts paid as estimated tax under this section for that tax plus the
16 tax imposed under s. 71.08 before reduction for amounts paid as estimated tax under
17 this section for that tax plus, for taxable years ending before April 1, 1999, the
18 surcharge imposed under s. 77.93 before reduction for amounts paid as estimated tax
19 under this section for that surcharge.

20 **SECTION 4.** 71.09 (13) (a) 2. of the statutes is amended to read:

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1 71.09 (13) (a) 2. The tax shown on the return for the preceding year. If a
2 husband and wife who filed separate returns for the preceding taxable year file a
3 joint return, the tax shown on the return for the preceding year is the sum of the taxes
4 shown on the separate returns of the husband and wife. If a husband and wife who
5 filed a joint return for the preceding taxable year file separate returns, the tax shown
6 on the return for the preceding year is the husband's or wife's proportion of that tax
7 based on what their respective tax liabilities for that year would have been had they
8 filed separately. For taxable years ending after April 1, 1999, the tax shown on the
9 return for the preceding year does not include the surcharge imposed under s. 77.93.

10 **SECTION 5.** 71.10 (6) (a) of the statutes is amended to read:

11 71.10 (6) (a) *Joint returns.* Persons filing a joint return are jointly and severally
12 liable for the tax, interest, penalties, fees, additions to tax and additional
13 assessments under this chapter applicable to the return. ~~A. Except as provided in~~
14 par. (e), a person shall be relieved of liability in regard to a joint return in the manner
15 specified in section ~~6013 (e), 6015 (a) to (d) and (f) of the internal revenue code,~~
16 ~~notwithstanding the amount or percentage of the understatement~~ Internal Revenue
17 Code.

18 **SECTION 6.** 71.10 (6) (b) of the statutes is amended to read:

19 71.10 (6) (b) *Separate returns.* ~~A. Except as provided in par. (e), a~~ spouse filing
20 a separate return may be relieved of liability for the tax, interest, penalties, fees,
21 additions to tax and additional assessments under this chapter ~~with regard to~~
22 ~~unreported marital property income~~ in the manner specified in section 66 (c) of the
23 ~~internal revenue code~~ Internal Revenue Code. The department may not apply ch.
24 766 in assessing a taxpayer with respect to marital property income the taxpayer did
25 not report if that taxpayer failed to notify the taxpayer's spouse about the amount

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1 and nature of the income before the due date, including extensions, for filing the
2 return for the taxable year in which the income was derived. The department shall
3 include all of that marital property income in the gross income of the taxpayer and
4 exclude all of that marital property income from the gross income of the taxpayer's
5 spouse.

6 **SECTION 7.** 71.10 (6) (e) of the statutes is created to read:

7 71.10 **(6) (e) Application** for relief: A person who seeks relief from liability
8 under par. (a) or (b) shall apply for relief with the department, on a form prescribed
9 by the department, within 2 years after the date on which the department first
10 begins collection activities after the effective date of this paragraph [revisor
11 inserts date].

12 **SECTION 8.** 71.10 (6m) (a) of the statutes is amended to read:

13 71.10 (6m) (a) A ~~Except as provided in par. (c), a~~ formerly married or remarried
14 person filing a return for a period during which the person was married may be
15 relieved of liability for the tax, interest, penalties, fees, additions to tax and
16 additional assessments under this chapter ~~for unreported marital property income~~
17 from that period as if the person were a spouse under section 66 (c) of the ~~internal~~
18 ~~revenue code~~ Internal Revenue Code. The department may not apply ch. 766 in
19 assessing the former spouse of the person with respect to marital property income
20 that the former spouse did not report if that former spouse failed to notify the person
21 about the amount and nature of the income before the due date, including extensions,
22 for filing the return for the taxable year during which the income was derived. The
23 department shall include all of that marital property income in the gross income of
24 the former spouse and exclude all of that marital property income from the gross
25 income of the person.

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1 **SECTION 9.** 71.10 (6m) (c) of the statutes is created to read:

2 71.10 **(6m)** (c) A person who seeks relief from liability under par. (a) shall apply
3 for relief with the department as provided under sub. (6) (e).

4 **SECTION 10. 71.29 (1)** (b) of the statutes is amended to read:

5 **71.29 (1)** (b) "Tax shown on the return" and "tax for the taxable year" mean the
6 net taxes imposed under s. 71.23 (1) or (2) after reduction for credits against those
7 taxes but before reduction for amounts paid as estimated tax under this section plus,
8 for taxable years ending before April 1, 1999, the surcharge imposed under s. 77.93
9 before reduction for amounts paid as estimated tax under this section for that
10 surcharge.

11 **SECTION 11.** 71.29 (9) (a) 2. of the statutes is amended to read:

12 71.29 (9) (a) 2. The tax shown on the return for the preceding year, except that
13 for taxable years ending after April 1, 1999, the tax shown on the return does not
14 include the surcharge imposed under s. 77.93.

15 **SECTION 12.** 71.65 (5) (a) 1. of the statutes is amended to read:

16 71.65 (5) (a) 1. Thirty days for filing a wage statement under sub. (1) or an
17 annual withholding report under sub. (3) (a) or (d).

18 **SECTION 13.** 71.80 (19) (a) (title) of the statutes is repealed.

19 **SECTION 14.** 71.80 (19) (a) of the statutes is renumbered 71.80 (19) and
20 amended to read:

21 71.80 **(19)** WHOLE DOLLAR AMOUNTS. ~~With~~ At the request of the department,
22 with respect to any amount required to be shown on a form prescribed for any return,
23 statement or other document required by this chapter, if the amount of such item is
24 other than a whole dollar amount the fractional part of a dollar shall be disregarded

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1 unless it amounts to 50 cents or more, in which case the amount (determined without
2 regard to the fractional part of a dollar) shall be increased to the next whole dollar.

3 SECTION 15. 71.80 (19) (b) of the statutes is repealed.

4 SECTION 16. 71.80 (19) (c) of the statutes is repealed.

5 SECTION 17. 71.80 (21) of the statutes is created to read:

6 **71.80 (21) CREDIT CARD PAYMENTS.** (a) In this subsection, “taxes” has the
7 meaning given in s. 71.91 (6) (a) 4.

8 (b) The department may accept payment by credit card of taxes that are
9 required to be paid to the department under this chapter.

10 (c) If the department permits the payment of taxes by credit card under par.
11 (b), the department shall impose a credit card service charge on that payment. The
12 credit card service charge shall be in addition to the taxes that are being paid by
13 credit card and shall be an amount that is no greater than necessary to pay the costs
14 to the department for providing payment by credit card, including the cost of any
15 services for which the department contracts under par. (d).

16 (d) The department may contract for services relating to credit card payments
17 under this section.

18 SECTION 18. 72.30 (lm) of the statutes is created to read:

19 **72.30 (lm) WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
20 return filed under ch. 71, applies to a tax return filed under sub. (1).

21 SECTION 19. 73.01 (4) (a) of the statutes is amended to read:

22 **73.01 (4) (a)** Subject to the provisions for judicial review contained in s. 73.015,
23 the commission shall be the final authority for the hearing and determination of all
24 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
25 70.11 (21), 70.38 (4) (a), 70.397, 70.64 and 70.995 (8), s. 76.38 (12) (a), 1993 stats., ss.

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1 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (5m) and (6) (b), 78.01, 78.22, 78.40,
2 78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78, subch.
3 XIV of ch. 71 and subch. VII of ch. 77. Whenever with respect to a pending appeal
4 there is filed with the commission a stipulation signed by the department of revenue
5 and the adverse party, under s. 73.03 (25), agreeing to an affirmance, modification
6 or reversal of the department's position with respect to some or all of the issues raised
7 in the appeal, the commission shall enter an order affirming or modifying in whole
8 or in part, or canceling the assessment appealed from, or allowing in whole or in part
9 or denying the petitioner's refund claim, as the case may be, pursuant to and in
10 accordance with the stipulation filed. No responsibility shall devolve upon the
11 commission, respecting the signing of an order of dismissal as to any pending appeal
12 settled by the department without the approval of the commission.

13 SECTION 20. 73.13 of the statutes is created to read:

14 **73.13 Reducing nondelinquent taxes. (1)** In this section:

15 (a) "Department" means the department of revenue.

16 (b) "Tax" means an amount that is owed to this state under s. 66.75 (1m) (f) 3.
17 or ch. 71, 72, 76, 77, 78 or 139, and that is not delinquent.

18 **(2)(a)** A taxpayer may petition the department to reduce the taxpayer's taxes,
19 including the costs, penalties and interest related to the taxpayer's taxes. The
20 petition shall set forth a sworn statement of the taxpayer and shall be in a form that
21 the department prescribes. The department may examine the taxpayer under oath
22 about the petition and may require the taxpayer to provide the department with
23 financial statements and any other information requested by the department that
24 is related to the petition.

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1 (b) If the department determines that the taxpayer is unable to pay the taxes,
2 costs, penalties and interest in full, the department shall determine the amount that
3 the taxpayer is able to pay and shall enter an order reducing the taxes in accordance
4 with the department's determination. The order shall provide that the order is
5 effective only if the reduced taxes are paid within 10 days from the date on which the
6 order is issued. The department or its collection agents, upon receipt of the order,
7 shall accept payment in accordance with the order. Upon payment of the reduced
8 taxes, the department shall credit the unpaid portion of the principal amount of the
9 taxes and record the unpaid amount of costs, penalties, and interest accrued to the
10 date of the order.

11 (c) If within 3 years of the date of the order under par. (b) the department
12 ascertains that the taxpayer has an income or owns property sufficient to enable the
13 taxpayer to pay the unpaid portion of the principal amount of the taxes due,
14 including the costs, penalties and interest recorded under par. (b), the department
15 shall reopen the order under par. (b) and order the taxpayer to pay in full the unpaid
16 portion of the principal amount of the taxes due, including the costs, penalties and
17 interest recorded under par. (b). Before the entry of the order for payment, the
18 department shall send a written notice to the taxpayer, by certified mail, advising
19 the taxpayer of the department's intention to reopen the order under par. (b) and
20 fixing a time and place for the appearance of the taxpayer, if the taxpayer desires a
21 hearing. If the department determines that the taxpayer is able to pay the unpaid
22 portion of the principal amount of the taxes due, including the costs, penalties and
23 interest recorded under par. (b), the department shall enter the order for payment
24 in full. The unpaid portion of the principal amount of the taxes due, including the
25 costs, penalties and interest recorded under par. (b), shall be due and payable

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1 immediately upon entry of the order for payment in full and shall thereafter be
2 subject to the interest under s. 71.82 (2), as that subsection applies to delinquent
3 income and franchise taxes under s. 71.82, and to the delinquent account fee under
4 s. 73.03 (33m).

5 **SECTION 21.** 77.51 (22m) of the statutes is created to read:

6 **77.51 (22m)** "Used exclusively" means used in a nontaxable manner for at least
7 95% of total use in a taxable year, the percentage to be determined as follows, unless
8 a person receives written approval from the department of revenue to use an
9 alternative method:

10 (a) For highway vehicles, including trailers and semitrailers, divide the
11 number of miles that the item is driven or hauled in a nontaxable manner in the
12 taxable year by the total number of miles that the item is driven or hauled in the same
13 taxable year.

14 (b) For an item other than that described in par. (a), divide the number of hours
15 that the item is used in a nontaxable manner in the taxable year by the total number
16 of hours that the item is used in the same taxable year.

17 **SECTION 22.** 77.54 (3) (b) 3. of the statutes is repealed.

18 **SECTION 23.** 77.54 (5) (b) of the statutes is amended to read:

19 77.54 (5) (b) Motor trucks, truck tractors, road tractors, buses, trailers and
20 semitrailers, and accessories, attachments, parts, supplies and materials therefor,
21 that are sold to common or contract carriers ~~who use such motor trucks, truck~~
22 ~~tractors, road tractors, buses, trailers and semitrailers and that are used exclusively~~
23 ~~as in the business of the~~ common or contract carriers, including the urban mass
24 transportation of passengers as defined in s. 71.38.

25 **SECTION 24.** 77.54 (5) (c) of the statutes is amended to read:

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1 77.54 (5) (c) Motor vehicles which are not required to be licensed for highway
2 use and which are used exclusively and directly used in conjunction with waste
3 reduction or recycling activities which reduce the amount of solid waste generated,
4 reuse solid waste, recycle solid waste, compost solid waste or recover energy from
5 solid waste. For the purposes of this paragraph, "solid waste" means garbage, refuse,
6 sludge or other materials or articles, whether these materials or articles are
7 discarded or purchased, including solid, semisolid, liquid or contained gaseous
8 materials or articles resulting from industrial, commercial, mining or agricultural
9 operations or from domestic use or from public service activities.

10 **SECTION 25.** 77.54 (6) (a) of the statutes is amended to read:

11 77.54 (6) (a) Machines and specific processing equipment and repair parts or
12 replacements thereof, used exclusively and directly ~~used~~ by a manufacturer in
13 manufacturing tangible personal property and safety attachments for those
14 machines and equipment.

15 **SECTION 26.** 77.54 (26m) of the statutes is amended to read:

16 77.54 (26m) The gross receipts from the sale of and the storage, use or other
17 consumption of waste reduction or recycling machinery and equipment, including
18 parts therefor, used exclusively and directly used for waste reduction or recycling
19 activities which reduce the amount of solid waste generated, reuse solid waste,
20 recycle solid waste, compost solid waste or recover energy from solid waste. The
21 exemption applies even though an economically useful end product results from the
22 use of the machinery and equipment. For the purposes of this subsection, "solid
23 waste" means garbage, refuse, sludge or other materials or articles, whether these
24 materials or articles are discarded or purchased, including solid, semisolid, liquid or
25 contained gaseous materials or articles resulting from industrial, commercial,

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1 mining or agricultural operations or from domestic use or from public service
2 activities.

3 SECTION 27. 77.58 (3) (c) of the statutes is created to read:

4 77.58 (3) (c) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
5 applies to a tax return filed under this section.

6 SECTION 28. 77.59 (4) (c) of the statutes is renumbered 77.59 (5m) and amended
7 to read:

8 77.59 (5m) A seller who receives a refund ~~under par. (a) or (b)~~ of taxes that the
9 seller has collected from buyers, who collects taxes erroneously from buyers, or who
10 is entitled to a refund that is offset under sub. (5), shall return submit the taxes and
11 related interest to the buyers from whom the taxes were collected. ~~The, or to the~~
12 denartment if the seller cannot locate the buyers, within 60 days after the date of the
13 refund, after the date of the offset or after discovering that the seller has collected
14 taxes erroneously from the buyers. If the seller does not submit the taxes and related
15 interest to the denartment or the buyers within that period, the seller shall return
16 submit to the department any part of a refund or taxes that the seller does not ~~return~~
17 submit to a buyer or to the department along with a penalty of 25% of the amount
18 not ~~returned or submitted or, in the case of fraud,~~ a penalty equal to the amount not
19 ~~returned in the case of fraud~~ submitted.

20 SECTION 29. 77.59 (5) of the statutes is amended to read:

21 77.59 (5) The department may offset the amount of any refund for a period,
22 together with interest on the refund, against deficiencies for another period, and
23 against penalties and interest on the deficiencies, or against any amount of whatever
24 kind, due and owing on the books of the department from the person claiming who
25 is entitled to the refund. If the refund is to be paid to a buyer, the department may

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1 also set off amounts in the manner in which it sets off income tax and franchise tax
2 refunds under s. 71.93 and may set off amounts for child support or maintenance or
3 both in the manner in which it sets off income taxes under ss. 49.855 and 71.93 (3),
4 (6) and (7).

5 **SECTION 30.** 77.61 (3) of the statutes is amended to read:

6 77.61 (3) ~~The department shall provide~~ A retailer shall use either a bracket
7 system to be used by retailers in collecting or a straight mathematical computation,
8 under rules promulgated by the department, to determine the amount of the tax that
9 the retailer may collect from their the retailer's customers, but the use of such
10 brackets either a bracket system or a straight mathematical computation shall not
11 relieve the retailer from liability for payment of the full amount of the tax levied by
12 ss. 77.51 to 77.62.

13 **SECTION 31.** 77.9941 (4) of the statutes is amended to read:

14 77.9941 (4) Sections 77.72 (l), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (l),
15 (2) and (4), 77.77 (1) and (2), 77.785 (1) and 77.79, as they apply to the taxes under
16 subch. V, apply to the tax under this subchapter. Section 77.58 (3c), as it applies to
17 the taxes under subch. III, applies to the tax under this subchapter.

18 **SECTION 32.** 77.9964 (2) of the statutes is amended to read:

19 77.9964 (2) Except as provided in s. 77.9961 (4), ~~sections ss.~~ 71.74 (1) to (3), (7)
20 and (9), 71.75 (l), (2), (6), (7), (9) and (l), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and
21 (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), and (17) and (18) to (19), 71.82
22 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2. and 6., (2) (a) 1. to 3. and
23 (b) 1. to 3. and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2) and (4) to (6) and 71.93,
24 as they apply to the taxes under ch. 71, apply to the fees under this subchapter.

25 **SECTION 33.** 78.39 (5d) of the statutes is created to read:

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1 78.39 **(5d)** “Pay” has the meaning given in s. 78.005 (13b).

2 **SECTION 34.** 78.39 (5m) of the statutes is created to read:

3 78.39 **(5m)** “Sign” has the meaning given in s. 78.005 (13r).

4 **SECTION 35.** 78.68 (10) of the statutes is amended to read:

5 78.68 **(10)** Except as provided in ss. 78.19, 78.20 (2) and 78.75 (1m) (b), s. 71.75
6 (2), (4) to (7) and (10), as it applies to the taxes under ch. 71, applies to the taxes under
7 this chapter. Section 71.74 (13), as it applies to refunds of the taxes under ch. 71,
8 applies to the refund of the taxes under this chapter and s. 71.80 (19), as it applies
9 to tax returns filed under ch. 71, applies to returns filed under this chapter.

10 **SECTION 36.** 139.11 (2r) of the statutes is created to read:

11 139.11 **(2r)** **WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
12 return filed under ch. 71, applies to a report filed under this subchapter.

13 **SECTION 37.** 139.38 (2r) of the statutes is created to read:

14 139.38 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
15 applies to a report filed under this subchapter.

16 **SECTION 38.** 139.75 (9m) of the statutes is created to read:

17 139.75 **(9m)** “Sign” has the meaning given in s. 139.01 (9m).

18 **SECTION 39.** 139.82 (2r) of the statutes is created to read:

19 139.82 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
20 applies to a report filed under this subchapter.

21 **SECTION 40. Nonstatutory provisions.**

22 (1) **REFUND SAND TAXES COLLECTED ERRONEOUSLY.** Notwithstanding section 77.59
23 (5m) of the statutes, as affected by this act, a seller who is required to submit to a
24 buyer a refund or a tax collected erroneously under section 77.59 (5m) of the statutes,
25 as affected by this act, from sales that occurred after August 31, 1994, but before the

BILL

1 effective date of this subsection shall submit that refund or tax to the buyer, or to the
2 department of revenue if the seller cannot locate the buyer, within 60 days after the
3 effective date of this subsection. A refund or tax that is not submitted to the buyer
4 or to the department of revenue within that period is subject to the penalties imposed
5 under section 77.59 (5m) of the statutes, as affected by this act.

6 **SECTION 41. Initial applicability.**

7 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
8 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes first applies retroactively to
9 refunds that were due on sales that first occurred on September 1, 1994, and to taxes
10 first collected erroneously on September 1, 1994.

11 (2) **MARRIED PERSONS TAX LIABILITY.** The treatment of section 71.10 (6) (a) and
12 (b) and (6m) (a) of the statutes first applies to tax liability that arises on the effective
13 date of this subsection or that remains unpaid on the effective date of this subsection.

14 (3) **WITHHOLDING REPORTS.** The treatment of section 71.65 (5) (a) 1. of the
15 statutes first applies to withholding reports that are due on January 31, 2000.

16 **SECTION 42. Effective dates.** This act takes effect on the day after publication,
17 except as follows:

18 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
19 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes takes effect retroactively to
20 September1, 1994.

21 (2) **SALES AND USE TAX EXEMPTIONS AND COMPUTATIONS.** The treatment of sections
22 77.51 (22m), 77.54 (3) (b) 3. and (5) (b) and (c), (6) (a) and (26m) and 77.61 (3) of the
23 statutes takes effect on the first day of the 2nd month beginning after publication.

24 ✓ (20m) and

(END)

D-note
↓

2437/2

JR

Insert 11-4

Section #. or; 77.51(20m) [Ⓢ] "Taxable year" has the
meaning given in s. 71.01(12). ✓

D-N

JK

Sherrie Gater-Hendrix:

¶ 1. The bill now provides a definition for "taxable year" as recommended in Clay Settle memorandum of May 17, 1999. Contrary to Mr. Hinnebdal's comments, I don't believe that section 77.51(22m) of the statutes can be reasonably interpreted to read that once an item is exempt, based on its use in one taxable year, it is thereafter exempt, regardless of its use in any subsequent taxable year. The language of section 77.51(22m) of the statutes, as drafted, requires a "taxable year by taxable year" measurement of an item's use.

¶ 2. I followed Mr. Hinnebdal's recommendation regarding section 77.54(5)(b) of the statutes.

JK



**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2437/2dn
JK:kmg&jlg:km

September 7, 1999

Sherrie Gates-Hendrix:

1. The bill now provides a definition for "taxable year" as recommended in Clay Seth's memorandum of May 17, 1999. Contrary to Mr. Hinnendael's comments, I don't believe that section 77.51 (22m) of the statutes can be reasonably interpreted to read that once an item is exempt, based on its use in one taxable year, it is thereafter exempt, regardless of its use in any subsequent taxable year. The language of section 77.51 (22m) of the statutes, as drafted, requires a "taxable year by taxable year" measurement of an item's use.

2. I followed Mr. Hinnendael's recommendation regarding section 77.54 (5) (b) of the statutes.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: Joseph.Kreye@legis.state.wi.us

Date: September 9, 1999
To: Clay Seth
From: Mike Hinnendael *MHA*
Subject: Comments on Taxpayer Friendly Bill - LRB-2437/2

Sales and Use Tax

Section 22 (Definition of "Used exclusively")

Mr. Joseph T. Kreye, in his drafter's note dated September 7, 1999 states he does not believe that sec. 77.51 (22m) of the statutes can be reasonably interpreted to read that once an item is exempt, based on its use in one taxable year, it is therefore exempt, regardless of its use in any subsequent taxable year. While this may appear to be an unreasonable interpretation, I believe it is still arguable that the definition of "used exclusively" has this broad meaning.

Given the fact that this definition would be used for many sales and use tax exemptions, why take the risk of a taxpayer successfully making this argument (with the potential of this broad meaning being applicable for all taxpayers eligible to claim any of the exemptions that require exclusive use)?

I suggest that sec. 77.51 (22m) be clarified to require a taxable year by taxable year measurement of an item's use by revising this section as follows:

"'Used exclusively' in a taxable year means used in a nontaxable manner for at least 95% of total use in a the taxable year..."

*Joe -
Can we
make
this
change?
Shemie*



3

1999 BILL

in 9-17-99

Regen

1 AN **ACT to repeal** 71.80 (19) (a) (title), 71.80 (19) (b), 71.80 (19) (c) and 77.54 (3)
2 (b) 3.; **to renumber and amend** 71.80 (19) (a) and 77.59 (4) (c); **to amend 50.14**
3 (4), 71.09 (1) (b), 71.09 (13) (a) 2., 71.10 (6) (a), 71.10 (6) (b), 71.10 (6m) (a), 71.29
4 (1) (b), 71.29 (9) (a) 2., 71.65 (5) (a) 1., 73.01 (4) (a), 77.54 (5) (b), 77.54 (5) (c),
5 77.54 (6) (a), 77.54 (26m), 77.59 (5), 77.61 (3), 77.9941 (4), 77.9964 (2) and 78.68
6 (10); and **to create 20.566** (1) (hd), 71.10 (6) (e), 71.10 (6m) (c), 71.80 (21), 72.30
7 (1m), 73.13, 77.51 (20m), 77.51 (22m), 77.58 (3) (c), 78.39 (5d), 78.39 (5m),
8 139.11 (2r), 139.38 (2r), 139.75 (9m) and 139.82 (2r) of the statutes; **relating**
9 **to:** the liability of married persons filing a joint income tax return, the payment
10 of the alternate fuel tax and the tobacco products tax, reducing nondelinquent
11 taxes, rounding dollar amounts to whole dollars on all tax returns, allowing a
12 mathematical computation of sales and use taxes, items used exclusively for
13 tax-exempt purposes, paying taxes with a credit card, extending the time for
14 filing a tax withholding report, excluding the temporary recycling surcharge

BILL

1 from the computation of estimated tax payments, granting rule-making
2 authority, making an appropriation and providing a penalty.

Analysis by the Legislative Reference Bureau**REDUCING TAXES**

Under current law, any taxpayer may petition the department of revenue (DOR) to reduce delinquent taxes, including any applicable costs, penalties and interest. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer under oath, the taxpayer's financial statements and any other information required by DOR, DOR determines the amount that the taxpayer is able to pay and then enters an order reducing the taxes, costs, penalties and interest owed by the taxpayer.

If within three years from the date on which DOR enters the order that reduces the taxpayer's taxes DOR determines that the taxpayer has an income or owns property that is sufficient to enable the taxpayer to pay the remainder of the original delinquent taxes, including costs, penalties and interest, DOR must reopen the order and order the payment in full of such taxes, costs, penalties and interest.

This bill expands current law so that DOR is authorized to reduce any taxes, costs, penalties and interest that are due from a taxpayer, regardless of whether the taxes, costs, penalties and interest are delinquent.

INCOME AND FRANCHISE TAXES

Under current law, spouses that file a joint income tax return are both liable for the payment of any tax related to that return. However, DOR may relieve a person of any tax liability related to a joint return, in a manner specified by the Internal Revenue Code and adopted by this state. Generally, DOR may relieve a person of any tax liability related to a joint return if the person's spouse did not notify the person of any tax liability or understatement of taxes related to the joint return. This bill corrects an outdated reference to the sections of the Internal Revenue Code that relate to a spouse's tax liability for a joint income tax return. The bill also requires a spouse to apply for relief from tax liability within two years from the date on which DOR begins collection activities on the spouse's tax liability or within two years from the effective date of the provision, whichever is later.

Under current law, an employer is required to deduct and withhold state income taxes from an employe's pay and to deposit those taxes with DOR on a quarterly basis. An employer must also file a tax withholding report with DOR on a monthly, quarterly or annual basis. Under current law, DOR cannot grant an employer an extension for filing such a report. Before 1999, DOR could grant a 30-day extension for filing a withholding report to an employer who showed good cause for granting that extension. This bill restores the prior law which allowed DOR to grant such an extension.

Under current law, a temporary recycling surcharge is imposed on a business or a corporation based on the net income of a business or the gross tax liability of a corporation. The temporary recycling surcharge amount that a business or

BILL

corporation paid in the previous taxable year is included in the calculation to determine the estimated tax payments that are due from a business or corporation for the current taxable year. The temporary recycling surcharge will not be imposed on a business or a corporation for taxable years ending after April 1, 1999. Under this bill, the temporary recycling surcharge amount will not be included in the calculation to determine the estimated tax payments that are due from a business or corporation for taxable years ending after April 1, 1999.

SALES AND USE TAXES

Under current law, a retailer is required to use a bracket system, as determined by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services. Under this bill, a retailer may also use a straight mathematical computation, under rules promulgated by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services.

Under current law, the sales of certain goods are exempt from the sales and use taxes if those goods are used exclusively for a particular purpose. This bill clarifies the scope of such exemptions by providing that the sales of certain goods are exempt from the sales and use taxes if those goods are used in a nontaxable manner to the exclusion of all other uses, except for other uses that do not exceed 5% of total use in a year.

Under current law, if a seller makes a claim for a refund of sales taxes or use taxes and the claim is honored, the seller is required to pass along the refund and related interest to the buyers and to submit to DOR the portion of the refund that could not be passed on, along with a penalty. Under current law, if a seller receives a sales or use tax refund as the result of an audit, the seller is not required to submit the refund and related interest to the buyers. Also, a seller is not required to submit to the buyers sales or use taxes that are collected erroneously.

This bill requires a seller who receives any refund of sales or use taxes, or who collects sales or use taxes erroneously, to submit such a refund or taxes to the buyer, or to DOR if the buyer cannot be located, within 60 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within that 60 days must be submitted to DOR, along with a penalty.

OTHER TAXATION

Under current law, a taxpayer may round dollar amounts on an income or franchise tax return to the nearest whole dollar. This bill permits DOR to require a taxpayer round dollar amounts to the nearest whole dollar on an income or franchise tax return. This bill also permits DOR to require that a taxpayer round dollar amounts to the nearest whole dollar on tax returns or tax reports related to sales and use taxes, estate taxes, fuel taxes, cigarette and tobacco product taxes, alcohol taxes, food and beverage taxes, premier resort area taxes, rental car fees and dry cleaning fees.

This bill allows DOR to accept payment for taxes, costs, penalties and interest from a taxpayer by use of a credit card and allows DOR to impose a credit card service charge on such payments.

BILL

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:

1 **SECTION 1.** 20.566 (1) (hd) of the statutes is created to read:

2 **20.566 (1) (hd) Credit cardpayment service charge.** From moneys received from
3 credit card payment service charges collected under s. 71.80 (21) (c), a sum sufficient
4 to pay the costs incurred by the department of revenue to provide for the payment
5 of taxes by credit card, including the cost of contracting services under s. 71.80 (21)
6 (d).

7 **SECTION 2.** 50.14 (4) of the statutes is amended to read:

8 50.14 (4) Sections 77.59 (1) to ~~(5)~~ (5m), (6) (intro.), (a) and (c) and (7) to (10),
9 77.60 (1) to (7), (9) and (10), 77.61 (9) and (12) to (14) and 77.62, as they apply to the
10 taxes under subch. III of ch. 77, apply to the assessment under this section.

11 **SECTION 3.** 71.09 (1) (b) of the statutes is amended to read:

12 71.09 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
13 net tax imposed under s. 71.02 after reduction for exemptions to, and credits against,
14 that tax but before reduction by amounts withheld under subch. X and before
15 reduction for amounts paid as estimated tax under this section for that tax plus the
16 tax imposed under s. 71.08 before reduction for amounts paid as estimated tax under
17 this section for that tax plus, for taxable years ending before April 1, 1999, the
18 surcharge imposed under s. 77.93 before reduction for amounts paid as estimated tax
19 under this section for that surcharge.

20 **SECTION 4.** 71.09 (13) (a) 2. of the statutes is amended to read:

BILL

1 71.09 (13) (a) 2. The tax shown on the return for the preceding year. If a
2 husband and wife who filed separate returns for the preceding taxable year file a
3 joint return, the tax shown on the return for the preceding year is the sum of the taxes
4 shown on the separate returns of the husband and wife. If a husband and wife who
5 filed a joint return for the preceding taxable year file separate returns, the tax shown
6 on the return for the preceding year is the husband's or wife's proportion of that tax
7 based on what their respective tax liabilities for that year would have been had they
8 filed separately. For taxable years ending after April 1, 1999, the tax shown on the
9 return for the preceding year does not include the surcharge imposed under s. 77.93..

10 **SECTION 5.** 71.10 (6) (a) of the statutes is amended to read:

11 71.10 (6) (a) **Joint returns.** Persons filing a joint return are jointly and severally
12 liable for the tax, interest, penalties, fees, additions to tax and additional
13 assessments under this chapter applicable to the return. ~~A. Except as provided in~~
14 ~~par. (e), a person shall be relieved of liability in regard to a joint return in the manner~~
15 ~~specified in section 6013 (e) 6015 (a) to (d) and (f) of the internal revenue code,~~
16 ~~notwithstanding the amount or percentage of the understatement~~ Internal Revenue
17 Code.

18 **SECTION 6.** 71.10 (6) (b) of the statutes is amended to read:

19 71.10 (6) (b) **Separate returns.** ~~A. Except as provided in par. (e), a spouse filing~~
20 a separate return may be relieved of liability for the tax, interest, penalties, fees,
21 additions to tax and additional assessments under this chapter ~~with regard to~~
22 ~~unreported marital property income~~ in the manner specified in section 66 (c) of the
23 ~~internal revenue code~~ Internal Revenue Code. The department may not apply ch.
24 766 in assessing a taxpayer with respect to marital property income the taxpayer did
25 not report if that taxpayer failed to notify the taxpayer's spouse about the amount

BILL

1 and nature of the income before the due date, including extensions, for filing the
2 return for the taxable year in which the income was derived. The department shall
3 include all of that marital property income in the gross income of the taxpayer and
4 exclude all of that marital property income from the gross income of the taxpayer's
5 spouse.

6 **SECTION 7.** 71.10 (6) (e) of the statutes is created to read:

7 71.10 (6) (e) ***Application for relief:*** A person who seeks relief from liability
8 under par. (a) or (b) shall apply for relief with the department, on a form prescribed
9 by the department, within 2 years after the date on which the department first
10 begins collection activities after the effective date of this paragraph [revisor
11 inserts date].

12 **SECTION 8.** 71.10 (6m) (a) of the statutes is amended to read:

13 71.10 (6m) (a) ~~A. Except as provided in nar. (c),~~ a formerly married or remarried
14 person filing a return for a period during which the person was married may be
15 relieved of liability for the tax, interest, penalties, fees, additions to tax and
16 additional assessments under this chapter ~~for unreported marital property income~~
17 from that period as if the person were a spouse under section 66 (c) of the ~~internal~~
18 ~~revenue code~~ Internal Revenue Code. The department may not apply ch. 766 in
19 assessing the former spouse of the person with respect to marital property income
20 that the former spouse did not report if that former spouse failed to notify the person
21 about the amount and nature of the income before the due date, including extensions,
22 for filing the return for the taxable year during which the income was derived. The
23 department shall include all of that marital property income in the gross income of
24 the former spouse and exclude all of that marital property income from the gross
25 income of the person.

BILL

1 **SECTION 9.** 71.10 (6m) (c) of the statutes is created to read:

2 71.10 (6m) (c) A person who seeks relief from liability under par. (a) shall apply
3 for relief with the department as provided under sub. (6) (e).

4 **SECTION 10.** 71.29 (1) (b) of the statutes is amended to read:

5 71.29 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
6 net taxes imposed under s. 71.23 (1) or (2) after reduction for credits against those
7 taxes but before reduction for amounts paid as estimated tax under this section plus,
8 for taxable years ending before April 1, 1999, the surcharge imposed under s. 77.93
9 before reduction for amounts paid as estimated tax under this section for that
10 surcharge.

11 **SECTION 11.** 71.29 (9) (a) 2. of the statutes is amended to read:

12 71.29 (9) (a) 2. The tax shown on the return for the preceding year, except that
13 for taxable years ending after April 1, 1999, the tax shown on the return does not
14 include the surcharge imposed under s. 77.93.

15 **SECTION 12.** 71.65 (5) (a) 1. of the statutes is amended to read:

16 71.65 (5) (a) 1. Thirty days for filing a wage statement under sub. (1) or an
17 annual withholding report under sub. (3) (a) or (d).

'18 **SECTION 13.** 71.80 (19) (a) (title) of the statutes is repealed.

'19 **SECTION 14.** 71.80 (19) (a) of the statutes is renumbered 71.80 (19) and
20 amended to read:

21 71.80 (19) **WHOLE DOLLAR AMOUNTS.** ~~With~~ At the request of the department,
22 with respect to any amount required to be shown on a form prescribed for any return,
23 statement or other document required by this chapter, if the amount of such item is
24 other than a whole dollar amount the fractional part of a dollar shall be disregarded

BILL

SECTION 14

1 unless it amounts to 50 cents or more, in which case the amount (determined without
2 regard to the fractional part of a dollar) shall be increased to the next whole dollar.

3 SECTION 15. 71.80 (19) (b) of the statutes is repealed.

4 SECTION 16. 71.80 (19) (c) of the statutes is repealed.

5 SECTION 17. 71.80 (21) of the statutes is created to read:

6 71.80 (21) CREDIT CARD PAYMENTS. (a) In this subsection, "taxes" has the
7 meaning given in s. 71.91 (6) (a) 4.

8 (b) The department may accept payment by credit card of taxes that are
9 required to be paid to the department under this chapter.

10 (c) If the department permits the payment of taxes by credit card under par.
11 (b), the department shall impose a credit card service charge on that payment. The
12 credit card service charge shall be in addition to the taxes that are being paid by
13 credit card and shall be an amount that is no greater than necessary to pay the costs
14 to the department for providing payment by credit card, including the cost of any
15 services for which the department contracts under par. (d).

16 (d) The department may contract for services relating to credit card payments
17 under this section.

18 SECTION 18. 72.30 (lm) of the statutes is created to read:

19 72.30 (lm) WHOLE DOLLAR AMOUNTS. Section 71.80 (19), as it applies to a tax
20 return filed under ch. 71, applies to a tax return filed under sub. (1).

21 SECTION 19. 73.01 (4) (a) of the statutes is amended to read:

22 73.01 (4) (a) Subject to the provisions for judicial review contained in s. 73.015,
23 the commission shall be the final authority for the hearing and determination of all
24 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
25 70.11 (21), 70.38 (4) (a), 70.397, 70.64 and 70.995 (8), s. 76.38 (12) (a), 1993 stats., ss.

BILL

1 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (5m) and (6) (b), 78.01, 78.22, 78.40,
2 78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78, subch.
3 XIV of ch. 71 and subch. VII of ch. 77. Whenever with respect to a pending appeal
4 there is filed with the commission a stipulation signed by the department of revenue
5 and the adverse party, under s. 73.03 (25), agreeing to an affirmance, modification
6 or reversal of the department's position with respect to some or all of the issues raised
7 in the appeal, the commission shall enter an order affirming or modifying in whole
8 or in part, or canceling the assessment appealed from, or allowing in whole or in part
9 or denying the petitioner's refund claim, as the case may be, pursuant to and in
10 accordance with the stipulation filed. No responsibility shall devolve upon the
11 commission, respecting the signing of an order of dismissal as to any pending appeal
12 settled by the department without the approval of the commission.

13 **SECTION 20.** 73.13 of the statutes is created to read:

14 **73.13 Reducing nondelinquent taxes. (1)** In this section:

15 (a) "Department" means the department of revenue.

16 (b) "Tax" means an amount that is owed to this state under s. 66.75 (1m) (f) 3.
17 or ch. 71, 72, 76, 77, 78 or 139, and that is not delinquent.

18 (2) (a) A taxpayer may petition the department to reduce the taxpayer's taxes,
19 including the costs, penalties and interest related to the taxpayer's taxes. The
20 petition shall set forth a sworn statement of the taxpayer and shall be in a form that
21 the department prescribes. The department may examine the taxpayer under oath
22 about the petition and may require the taxpayer to provide the department with
23 financial statements and any other information requested by the department that
24 is related to the petition.

BILL

1 (b) If the department determines that the taxpayer is unable to pay the taxes,
2 costs, penalties and interest in full, the department shall determine the amount that
3 the taxpayer is able to pay and shall enter an order reducing the taxes in accordance
4 with the department's determination. The order shall provide that the order is
5 effective only if the reduced taxes are paid within 10 days from the date on which the
6 order is issued. The department or its collection agents, upon receipt of the order,
7 shall accept payment in **accordance with** the order. Upon payment of the reduced
8 taxes, the department shall credit the unpaid portion of the principal amount of the
9 taxes and record the unpaid amount of costs, penalties, and interest accrued to the
10 date of the order.

11 (c) If within 3 years of the date of the order under par. (b) the department
12 ascertains that the taxpayer has an income or owns property sufficient to enable the
13 taxpayer to pay the unpaid portion of the principal amount of the taxes due,
14 including the costs, penalties and interest recorded under par. (b), the department
15 shall reopen the order under par. (b) and order the taxpayer to pay in full the unpaid
16 portion of the principal amount of the taxes due, including the costs, penalties and
17 interest recorded under par. (b). Before the entry of the order for payment, the
18 department shall send a written notice to the taxpayer, by certified mail, advising
19 the taxpayer of the department's intention to reopen the order under par. (b) and
20 fixing a time and place for the appearance of the taxpayer, if the taxpayer desires a
21 hearing. If the department determines that the taxpayer is able to pay the unpaid
22 portion of the principal amount of the taxes due, including the costs, penalties and
23 interest recorded under par. (b), the department shall enter the order for payment
24 in full. The unpaid portion of the principal amount of the taxes due, including the
25 costs, penalties and interest recorded under par. (b), shall be due and payable

BILL

1 immediately upon entry of the order for payment in full and shall thereafter be
2 subject to the interest under s. 71.82 (2), as that subsection applies to delinquent
3 income and franchise taxes under s. 71.82, and to the delinquent account fee under
4 s. 73.03 (33m).

5 SECTION 21. 77.51 (20m) of the statutes is created to read:

6 77.51 (20m) "Taxable year" has the meaning given in s. 71.01 (12).

7 SECTION 22. 77.51 (22m) of the statutes is created to read:

8 77.51 (22m) "Used exclusively" means used in a nontaxable manner for at least
9 95% of total use in a taxable year, the percentage to be determined as follows, unless
10 a person receives written approval from the department of revenue to use an
11 alternative method:

in a taxable year

8
9

12 (a) For highway vehicles, including trailers and semitrailers, divide the
13 number of miles that the item is driven or hauled in a nontaxable manner in the
14 taxable year by the total number of miles that the item is driven or hauled in the same
15 taxable year.

16 (b) For an item other than that described in par. (a), divide the number of hours
17 that the item is used in a nontaxable manner in the taxable year by the total number
18 of hours that the item is used in the same taxable year.

19 SECTION 23. 77.54 (3) (b) 3. of the statutes is repealed.

20 SECTION 24. 77.54 (5) (b) of the statutes is amended to read:

21 77.54 (5) (b) Motor trucks, truck tractors, road tractors, buses, trailers and
22 semitrailers, and accessories, attachments, parts, supplies and materials therefor,
23 that are sold to common or contract carriers who use ~~used~~ ~~motor trucks, truck~~
24 ~~tractors, road tractors, buses, trailers and semitrailers and that are used exclusively~~

BILL

SECTION 24

1 as common or contract carriers, including the urban mass transportation of
2 passengers as defined in s. 71.38.

3 **SECTION 25.** 77.54 (5) (c) of the statutes is amended to read:

4 77.54 (5) (c) Motor vehicles which are not required to be licensed for highway
5 use and which are used exclusively and directly used in conjunction with waste
6 reduction or recycling activities which reduce the amount of solid waste generated,
7 reuse solid waste, recycle solid waste, compost solid waste or recover energy from
8 solid waste. For the purposes of this paragraph, "solid waste" means garbage, refuse,
9 sludge or other materials or articles, whether these materials or articles are
10 discarded or purchased, including solid, semisolid, liquid or contained gaseous
11 materials or articles resulting from industrial, commercial, mining or agricultural
12 operations or from domestic use or from public service activities.

13 **SECTION 26.** 77.54 (6) (a) of the statutes is amended to read:

14 77.54 (6) (a) Machines and specific processing equipment and repair parts or
15 replacements thereof, used exclusively and directly used by a manufacturer in
16 manufacturing tangible personal property and safety attachments for those
17 machines and equipment.

18 **SECTION 27.** 77.54 (26m) of the statutes is amended to read:

19 77.54 (26m) The gross receipts from the sale of and the storage, use or other
20 consumption of waste reduction or recycling machinery and equipment, including
21 parts therefor, used exclusively and directly used for waste reduction or recycling
22 activities which reduce the amount of solid waste generated, reuse solid waste,
23 recycle solid waste, compost solid waste or recover energy from solid waste. The
24 exemption applies even though an economically useful end product results from the
25 use of the machinery and equipment. For the purposes of this subsection, "solid

BILL

1 waste” means garbage, refuse, sludge or other materials or articles, whether these
2 materials or articles are discarded or purchased, including solid, semisolid, liquid or
3 contained gaseous materials or articles resulting from industrial, commercial,
4 mining or agricultural operations or from domestic use or from public service
5 activities.

6 **SECTION 28.** 77.58 (3) (c) of the statutes is created to read:

7 77.58 (3) (c) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
8 applies to a tax return filed under this section.

9 **SECTION 29.** 77.59 (4) (c) of the statutes is renumbered 77.59 (5m) and amended
10 to read:

11 77.59 (5m) A seller who receives a refund ~~under par. (a) or (b)~~ of taxes that the
12 seller has collected from buyers, who collects taxes erroneously from buyers, or who
13 is entitled to a refund that is offset under sub. (5), shall return submit the taxes and
14 related interest to the buyers from whom the taxes were collected. ~~The, or to the~~
15 department if the seller cannot locate the buyers, within 60 days after the date of the
16 refund, after the date of the offset or after discovering that the seller has collected
17 taxes erroneously from the buyers. If the seller does not submit the taxes and related
18 interest to the department or the buyers within that period, the seller shall return
19 submit to the department any part of a refund or taxes that the seller does not ~~return~~
20 submit to a buyer or to the department along with a penalty of 25% of the amount
21 not ~~returned or submitted or, in the case of fraud,~~ a penalty equal to the amount not
22 ~~returned in the case of fraud~~ submitted.

23 **SECTION 30.** 77.59 (5) of the statutes is amended to read:

24 77.59 (5) The department may offset the amount of any refund for a period,
25 together with interest on the refund, against deficiencies for another period, and

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1 against penalties and interest on the deficiencies, or against any amount of whatever
2 kind, due and owing on the books of the department from the person ~~claiming who~~
3 is entitled to the refund. If the refund is to be paid to a buyer, the department may
4 also set off amounts in the manner in which it sets off income tax and franchise tax
5 refunds under s. 71.93 and may set off amounts for child support or maintenance or
6 both in the manner in which it sets off income taxes under ss. 49.855 and 71.93 (3),
7 (6) and (7).

8 **SECTION 31.** 77.61 (3) of the statutes is amended to read:

9 77.61 (3) ~~The department shall provide~~ A retailer shall use either a bracket
10 system to be used by retailers in collecting or a straight mathematical computation,
11 under rules promulgated by the denartment. to determine the amount of the tax that
12 the retailer may collect from their the retailer's customers, but the use of such
13 brackets either a bracket system or a straight mathematical computation shall not
14 relieve the retailer from liability for payment of the full amount of the tax levied by
15 ss. 77.51 to 77.62.

16 **SECTION 32.** 77.9941 (4) of the statutes is amended to read:

17 77.9941 (4) Sections 77.72 (1), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (1),
18 (2) and (4), 77.77 (1) and (2), 77.785 (1) and 77.79, as they apply to the taxes under
19 subch. V, apply to the tax under this subchapter. Section 77.58 (3c), as it applies to
20 the taxes under subch. III, applies to the tax under this subchapter.

21 **SECTION 33.** 77.9964 (2) of the statutes is amended to read:

22 77.9964 (2) Except as provided in s. 77.9961 (4), ~~sections ss.~~ 71.74 (1) to (3), (7)
23 and (9), 71.75 (1), (2), (6), (7), (9) and (10), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and
24 (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), and (17) and (18) to (19), 71.82
25 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2. and 6., (2) (a) 1. to 3. and

1 (b) 1. to 3. and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2) and (4) to (6) and 71.93,
2 as they apply to the taxes under ch. 71, apply to the fees under this subchapter.

3 **SECTION 34.** 78.39 (5d) of the statutes is created to read:

4 78.39 (5d) "Pay" has the meaning given in s. 78.005 (13b).

5 **SECTION 35.** 78.39 (5m) of the statutes is created to read:

6 78.39 (5m) "Sign" has the meaning given in s. 78.005 (13r).

7 **SECTION 36.** 78.68 (10) of the statutes is amended to read:

8 78.68 (10) Except as provided in ss. 78.19, 78.20 (2) and 78.75 (1m) (b), s. 71.75
9 (2), (4) to (7) and (10), as it applies to the taxes under ch. 71, applies to the taxes under
10 this chapter. Section 71.74 (13), as it applies to refunds of the taxes under ch. 71,
11 applies to the refund of the taxes under this chapter and s. 71.80 (19), as it applies
12 to tax returns filed under ch. 71, applies to returns filed under this chapter.

13 **SECTION 37.** 139.11 (2r) of the statutes is created to read:

14 **139.11 (2r) WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
15 return filed under ch. 71, applies to a report filed under this subchapter.

16 **SECTION 38.** 139.38 (2r) of the statutes is created to read:

17 139.38 (2r) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
18 applies to a report filed under this subchapter.

19 **SECTION 39.** 139.75 (9m) of the statutes is created to read:

20 139.75 (9m) "Sign" has the meaning given in s. 139.01 (9m).

21 **SECTION 40.** 139.82 (2r) of the statutes is created to read:

22 139.82 (2r) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
23 applies to a report filed under this subchapter.

24 **SECTION 41. Nonstatutory provisions.**

B I L L

1 (1) **REFUND SAND TAXES COLLECTED ERRONEOUSLY.** Notwithstanding section 77.59
2 (5m) of the statutes, as affected by this act, a seller who is required to submit to a
3 buyer a refund or a tax collected erroneously under section 77.59 (5m) of the statutes,
4 as affected by this act, from sales that occurred after August 31, 1994, but before the
5 effective date of this subsection shall submit that refund or tax to the buyer, or to the
6 department of revenue if the seller cannot locate the buyer, within 60 days after the
7 effective date of this subsection. A refund or tax that is not submitted to the buyer
8 or to the department of revenue within that period is subject to the penalties imposed
9 under section 77.59 (5m) of the statutes, as affected by this act.

SECTION 42. Initial applicability.

10 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
11 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes first applies retroactively to
12 refunds that were due on sales that first occurred on September 1, 1994, and to taxes
13 first collected erroneously on September 1, 1994.

14 (2) **MARRIED PERSONS TAX LIABILITY.** The treatment of section 71.10 (6) (a) and
15 (b) and (6m) (a) of the statutes first applies to tax liability that arises on the effective
16 date of this subsection or that remains unpaid on the effective date of this subsection.

17 (3) **WITHHOLDING REPORTS.** The treatment of section 71.65 (5) (a) 1. of the
18 statutes first applies to withholding reports that are due on January 31, 2000.

19 **SECTION 43. Effective dates.** This act takes effect on the day after publication,
20 except as follows:

21 (1) **REFUND SAND TAXES COLLECTED ERRONEOUSLY** The treatment of sections 50.14
22 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes takes effect retroactively to
23 September 1, 1994.
24

Date: September 30, 1999
To: Clay Seth
From: Mike Hinnendael
Subject: Comments on Taxpayer Friendly Bill - LRB-2437/3

Sales and Use Tax

Section 22 (Definition of "Used exclusively")

The problem with Section 22 of LRB-2437/3 is the same as in LRB 2437/2. The only requirement for an item of tangible personal property to be "used exclusively" is that the item be used in a nontaxable manner **in a taxable year** for at least 95% of total use in the taxable year. In other words, if an item is used in a nontaxable manner for at least 95% of total use in *one* taxable year, it is therefore exempt, regardless of its use in any subsequent taxable year. I don't see how any other requirement can be read into this definition.

I suggest that sec. 77.51 (22m) (intro.) be revised to accomplish the following (1) a requirement that the measurement of an item's use be made on a taxable year-by-taxable year basis, and (2) a single year of nontaxable use does not result in an ongoing exemption for an item, regardless of use in other years.

One way to accomplish the desired result is to revise sec. 77.51 (22m) (intro.) as follows:

" 'Used exclusively' means used in a nontaxable manner for at least 95% of total use, the percentage to be determined as follows..."

Sec. 77.51 (22m) (a) and (b), as created in LRB-2437/3, are sufficient to require a taxable year-by-taxable year measurement of an item's use, while the above revision to sec. 77.51 (22m) (intro.) avoids the undesired result that a single year of nontaxable use creates an ongoing exemption for an item.

An alternative is to revise sec. 77.51 (22m) (intro.) as follows:

" 'Used exclusively' in a taxable year means used in a nontaxable manner for at least 95% of total use in the taxable year..."

Because the phrase "in a taxable year" is placed immediately after "used exclusively," the measurement of the use of an item applies only to the taxable year in which such use was made.

Section 32.

The reference should be to sec. 77.58 (3) (c), rather than sec. 77.58(3c).

↓
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Kreye, Joseph

From: Gates-Hendrix, Sherrie
Sent: Thursday, September 30, 1999 12:03 PM
To: Kreye, Joseph
Subject: 2437/3 - taxpayer friendly

Joe - Mike Hinnendael still has concerns about our draft 2437. Here's his memo --- would it help if he called you? Let me know how you want to proceed.

Thanks

S.



Leg prop - tp friendly
bill LR...



1999 BILL

changes on
pages 11 and 14

in 10-1-99

Ken Cat

1 **AN ACT to repeal** 71.80 (19) (a) (title), 71.80 (19) (b), 71.80 (19) (c) and 77.54 (3)

2 (b) 3.; **to renumber and amend** 71.80 (19) (a) and 77.59 (4) (c); **to amend** 50.14

3 (4), ~~71.09 (1)~~ (b), 71.09 (13) (a) 2., 71.10 (6) (a), 71.10 (6) (b), 71.10 (6m) (a), 71.29

4 (1) (b), 71.29 (9) (a) 2., 71.65 (5) (a) 1., 73.01 (4) (a), 77.54 (5) (b), 77.54 (5) (c),

5 77.54 (6) (a), 77.54 (26m), 77.59 (5), 77.61 (3), 77.9941 (4), 77.9964 (2) and 78.68

6 (10); and **to create** 20.566 (1) (hd), 71.10 (6) (e), 71.10 (6m) (c), 71.80 (21), 72.30

7 (1m), 73.13, 77.51 (20m), 77.51 (22m), 77.58 (3) (c), 78.39 (5d), 78.39 (5m),

8 139.11 (2r), 139.38 (2r), 139.75 (9m) and 139.82 (2r) of the statutes; **relating**

9 to: the liability of married persons filing a joint income tax return, the payment

10 of the alternate fuel tax and the tobacco products tax, reducing nondelinquent

11 taxes, rounding dollar amounts to whole dollars on all tax returns, allowing a

12 mathematical computation of sales and use taxes, items used exclusively for

13 tax-exempt purposes, paying taxes with a credit card, extending the time for

14 filing a tax withholding report, excluding the temporary recycling surcharge

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1 from the computation of estimated tax payments, granting rule-making
2 authority, making an appropriation and providing a penalty.

Analysis by the Legislative Reference Bureau**REDUCING TAXES**

Under current law, any taxpayer may petition the department of revenue (DOR) to reduce delinquent taxes, including any applicable costs, penalties and interest. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer under oath, the taxpayer's financial statements and any other information required by DOR, DOR determines the amount that the taxpayer is able to pay and then enters an order reducing the taxes, costs, penalties and interest owed by the taxpayer.

If within three years from the date on which DOR enters the order that reduces the taxpayer's taxes DOR determines that the taxpayer has an income or owns property that is sufficient to enable the taxpayer to pay the remainder of the original delinquent taxes, including costs, penalties and interest, DOR must reopen the order and order the payment in full of such taxes, costs, penalties and interest.

This bill expands current law so that DOR is authorized to reduce any taxes, costs, penalties and interest that are due from a taxpayer, regardless of whether the taxes, costs, penalties and interest are delinquent.

INCOME AND FRANCHISE TAXES

Under current law, spouses that file a joint income tax return are both liable for the payment of any tax related to that return. However, DOR may relieve a person of any tax liability related to a joint return, in a manner specified by the Internal Revenue Code and adopted by this state. Generally, DOR may relieve a person of any tax liability related to a joint return if the person's spouse did not notify the person of any tax liability or understatement of taxes related to the joint return. This bill corrects an outdated reference to the sections of the Internal Revenue Code that relate to a spouse's tax liability for a joint income tax return. The bill also requires a spouse to apply for relief from tax liability within two years from the date on which DOR begins collection activities on the spouse's tax liability or within two years from the effective date of the provision, whichever is later.

Under current law, an employer is required to deduct and withhold state income taxes from an employe's pay and to deposit those taxes with DOR on a quarterly basis. An employer must also file a tax withholding report with DOR on a monthly, quarterly or annual basis. Under current law, DOR cannot grant an employer an extension for filing such a report. Before 1999, DOR could grant a 30-day extension for filing a withholding report to an employer who showed good cause for granting that extension. This bill restores the prior law which allowed DOR to grant such an extension.

Under current law, a temporary recycling surcharge is imposed on a business or a corporation based on the net income of a business or the gross tax liability of a corporation. The temporary recycling surcharge amount that a business or

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corporation paid in the previous taxable year is included in the calculation to determine the estimated tax payments that are due from a business or corporation for the current taxable year. The temporary recycling surcharge will not be imposed on a business or a corporation for taxable years ending after April 1, 1999. Under this bill, the temporary recycling surcharge amount will not be included in the calculation to determine the estimated tax payments that are due from a business or corporation for taxable years ending after April 1, 1999.

SALES AND USE TAXES

Under current law, a retailer is required to use a bracket system, as determined by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services. Under this bill, a retailer may also use a straight mathematical computation, under rules promulgated by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services.

Under current law, the sales of certain goods are exempt from the sales and use taxes if those goods are used exclusively for a particular purpose. This bill clarifies the scope of such exemptions by providing that the sales of certain goods are exempt from the sales and use taxes if those goods are used in a nontaxable manner to the exclusion of all other uses, except for other uses that do not exceed 5% of total use in a year.

Under current law, if a seller makes a claim for a refund of sales taxes or use taxes and the claim is honored, the seller is required to pass along the refund and related interest to the buyers and to submit to DOR the portion of the refund that could not be passed on, along with a penalty. Under current law, if a seller receives a sales or use tax refund as the result of an audit, the seller is not required to submit the refund and related interest to the buyers. Also, a seller is not required to submit to the buyers sales or use taxes that are collected erroneously.

This bill requires a seller who receives any refund of sales or use taxes, or who collects sales or use taxes erroneously, to submit such a refund or taxes to the buyer, or to DOR if the buyer cannot be located, within 60 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within that 60 days must be submitted to DOR, along with a penalty.

OTHER TAXATION

Under current law, a taxpayer may round dollar amounts on an income or franchise tax return to the nearest whole dollar. This bill permits DOR to require a taxpayer round dollar amounts to the nearest whole dollar on an income or franchise tax return. This bill also permits DOR to require that a taxpayer round dollar amounts to the nearest whole dollar on tax returns or tax reports related to sales and use taxes, estate taxes, fuel taxes, cigarette and tobacco product taxes, alcohol taxes, food and beverage taxes, premier resort area taxes, rental car fees and dry cleaning fees.

This bill allows DOR to accept payment for taxes, costs, penalties and interest from a taxpayer by use of a credit card and allows DOR to impose a credit card service charge on such payments.

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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:

1 **SECTION 1.** 20.566 (1) (hd) of the statutes is created to read:

2 **20.566 (1) (hd) Credit cardpayment service charge.** From moneys received from
3 credit card payment service charges collected under s. 71.80 (21) (c), a sum sufficient
4 to pay the costs incurred by the department of revenue to provide for the payment
5 of taxes by credit card, including the cost of contracting services under s. 71.80 (21)
6 (d).

7 **SECTION 2.** 50.14 (4) of the statutes is amended to read:

8 50.14 (4) Sections 77.59 (1) to ~~(5)~~ (5m), (6) (intro.), (a) and (c) and (7) to (10),
9 77.60 (1) to (7), (9) and (10), 77.61 (9) and (12) to (14) and 77.62, as they apply to the
10 taxes under subch. III of ch. 77, apply to the assessment under this section.

11 **SECTION 3.** 71.09 (1) (b) of the statutes is amended to read:

12 71.09 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
13 net tax imposed under s. 71.02 after reduction for exemptions to, and credits against,
14 that tax but before reduction by amounts withheld under subch. X and before
15 reduction for amounts paid as estimated tax under this section for that tax plus the
16 tax imposed under s. 71.08 before reduction for amounts paid as estimated tax under
17 this section for that tax plus, for taxable years ending before April 1, 1999, the
18 surcharge imposed under s. 77.93 before reduction for amounts paid as estimated tax
19 under this section for that surcharge.

20 **SECTION 4.** 71.09 (13) (a) 2. of the statutes is amended to read:

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1 **71.09 (13) (a) 2.** The tax shown on the return for the preceding year. If a
 2 husband and wife who filed separate returns for the preceding taxable year file a
 3 joint return, the tax shown on the return for the preceding year is the sum of the taxes
 4 shown on the separate returns of the husband and wife. If a husband and wife who
 5 filed a joint return for the preceding taxable year file separate returns, the tax shown
 6 on the return for the preceding year is the husband's or wife's proportion of that tax
 7 based on what their respective tax liabilities for that year would have been had they
 8 filed separately. For taxable years ending after April 1, 1999, the tax shown on the
 9 return for the preceding year does not include the surcharge imposed under s. 77.93.

10 **SECTION 5.** 71.10 (6) (a) of the statutes is amended to read:

11 71.10 (6) (a) *Joint returns.* Persons filing a joint return are jointly and severally
 12 liable for the tax, interest, penalties, fees, additions to tax and additional
 13 assessments under this chapter applicable to the return. ~~A. Except as provided in~~
 14 ~~par. (e), a person shall be relieved of liability in regard to a joint return in the manner~~
 15 ~~specified in section 6013 (e) 6015 (a) to (d) and (f) of the internal revenue code,~~
 16 ~~notwithstanding the amount or percentage of the understatement~~ Internal Revenue
 17 Code

18 **SECTION 6.** 71.10 (6) (b) of the statutes is amended to read:

19 **71.10 (6) (b) Separate returns.** ~~A. Except as provided in nar. (e), a spouse filing~~
 20 a separate return may be relieved of liability for the tax, interest, penalties, fees,
 21 additions to tax and additional assessments under this chapter ~~with regard to~~
 22 ~~unreported marital property income~~ in the manner specified in section 66 (c) of the
 23 ~~internal revenue code~~ Internal Revenue Code. The department may not apply ch.
 24 766 in assessing a taxpayer with respect to marital property income the taxpayer did
 25 not report if that taxpayer failed to notify the taxpayer's spouse about the amount

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1 and nature of the income before the due date, including extensions, for filing the
2 return for the taxable year in which the income was derived. The department shall
3 include all of that marital property income in the gross income of the taxpayer and
4 exclude all of that marital property income from the gross income of the taxpayer's
5 spouse.

6 **SECTION 7.** 71.10 (6) (e) of the statutes is created to read:

7 71.10 (6) (e) *Application* for relief: A person who seeks relief from liability
8 under par. (a) or (b) shall apply for relief with the department, on a form prescribed
9 by the department, within 2 years after the date on which the department first
10 begins collection activities after the effective date of this paragraph [revisor
11 inserts date].

12 **SECTION 8.** 71.10 (6m) (a) of the statutes is amended to read:

13 71.10 (6m) (a) ~~A Except as provided in nar. (c), a~~ formerly married or remarried
14 person filing a return for a period during which the person was married may be
15 relieved of liability for the tax, interest, penalties, fees, additions to tax and
16 additional assessments under this chapter ~~for unreported marital property income~~
17 from that period as if the person were a spouse under section 66 (c) of the ~~internal~~
18 ~~revenue code~~ Internal Revenue Code. The department may not apply ch. 766 in
19 assessing the former spouse of the person with respect to marital property income
20 that the former spouse did not report if that former spouse failed to notify the person
21 about the amount and nature of the income before the due date, including extensions,
22 for filing the return for the taxable year during which the income was derived. The
23 department shall include all of that marital property income in the gross income of
24 the former spouse and exclude all of that marital property income from the gross
25 income of the person.

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1 **SECTION 9.** 71.10 (6m) (c) of the statutes is created to read:

2 71.10 (6m) (c) A person who seeks relief from liability under par. (a) shall apply
3 for relief with the department as provided under sub. (6) (e).

4 **SECTION 10.** 71.29 (1) (b) of the statutes is amended to read:

5 71.29 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
6 net taxes imposed under s. 71.23 (1) or (2) after reduction for credits against those
7 taxes but before reduction for amounts paid as estimated tax under this section plus,
8 for taxable years ending before April 1, 1999, the surcharge imposed under s. 77.93
9 before reduction for amounts paid as estimated tax under this section for that
10 surcharge.

11 **SECTION 11.** 71.29 (9) (a) 2. of the statutes is amended to read:

12 71.29 (9) (a) 2. The tax shown on the return for the preceding year, except that
13 for taxable years ending after April 1, 1999, the tax shown on the return does not
14 include the surcharge imposed under s. 77.93.

15 **SECTION 12.** 71.65 (5) (a) 1. of the statutes is amended to read:

16 71.65 (5) (a) 1. Thirty days for filing a wage statement under sub. (1) or an
17 annual withholding report under sub. (3) (a) or (d).

18 **SECTION 13.** 71.80 (19) (a) (title) of the statutes is repealed.

19 **SECTION 14.** 71.80 (19) (a) of the statutes is renumbered 71.80 (19) and
20 amended to read:

21 **71.80 (19) WHOLE DOLLAR AMOUNTS.** ~~With~~ At the request of the department,
22 with respect to any amount required to be shown on a form prescribed for any return,
23 statement or other document required by this chapter, if the amount of such item is
24 other than a whole dollar amount the fractional part of a dollar shall be disregarded

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1 unless it amounts to 50 cents or more, in which case the amount (determined without
2 regard to the fractional part of a dollar) shall be increased to the next whole dollar.

3 **SECTION 15.** 71.80 (19) (b) of the statutes is repealed.

4 **SECTION 16.** 71.80 (19) (c) of the statutes is repealed.

5 **SECTION 17.** 71.80 (21) of the statutes is created to read:

6 **71.80 (21) CREDIT CARD PAYMENTS.** (a) In this subsection, "taxes" has the
7 meaning given in s. 71.91 (6) (a) 4.

8 (b) The department may accept payment by credit card of taxes that are
9 required to be paid to the department under this chapter.

10 (c) If the department permits the payment of taxes by credit card under par.
11 (b), the department shall impose a credit card service charge on that payment. The
12 credit card service charge shall be in addition to the taxes that are being paid by
13 credit card and shall be an amount that is no greater than necessary to pay the costs
14 to the department for providing payment by credit card, including the cost of any
15 services for which the department contracts under par. (d).

16 (d) The department may contract for services relating to credit card payments
17 under this section.

18 **SECTION 18.** 72.30 (1m) of the statutes is created to read:

19 **72.30 (1m) WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
20 return filed under ch. 71, applies to a tax return filed under sub. (1).

21 **SECTION 19.** 73.01 (4) (a) of the statutes is amended to read:

22 **73.01 (4)** (a) Subject to the provisions for judicial review contained in s. 73.015,
23 the commission shall be the final authority for the hearing and determination of all
24 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
25 70.11 (21), 70.38 (4) (a), 70.397, 70.64 and 70.995 (8), s. 76.38 (12) (a), 1993 stats., ss.

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1 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (5m) and (6) (b), 78.01, 78.22, 78.40,
2 78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78, subch.
3 XIV of ch. 71 and subch. VII of ch. 77. Whenever with respect to a pending appeal
4 there is filed with the commission a stipulation signed by the department of revenue
5 and the adverse party, under s. 73.03 (25), agreeing to an affirmance, modification
6 or reversal of the department's position with respect to some or all of the issues raised
7 in the appeal, the commission shall enter an order affirming or modifying in whole
8 or in part, or canceling the assessment appealed from, or allowing in whole or in part
9 or denying the petitioner's refund claim, as the case may be, pursuant to and in
10 accordance with the stipulation filed. No responsibility shall devolve upon the
11 commission, respecting the signing of an order of dismissal as to any pending appeal
12 settled by the department without the approval of the commission.

13 SECTION 20. 73.13 of the statutes is created to read:

14 **73.13 Reducing nondelinquent taxes. (1)** In this section:

15 (a) "Department" means the department of revenue.

16 (b) "Tax" means an amount that is owed to this state under s. 66.75 (lm) (f) 3.
17 or ch. 71, 72, 76, 77, 78 or 139, and that is not delinquent.

18 (2) (a) A taxpayer may petition the department to reduce the taxpayer's taxes,
19 including the costs, penalties and interest related to the taxpayer's taxes. The
20 petition shall set forth a sworn statement of the taxpayer and shall be in a form that
21 the department prescribes. The department may examine the taxpayer under oath
22 about the petition and may require the taxpayer to provide the department with
23 financial statements and any other information requested by the department that
24 is related to the petition.

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1 (b) If the department determines that the taxpayer is unable to pay the taxes,
2 costs, penalties and interest in full, the department shall determine the amount that
3 the taxpayer is able to pay and shall enter an order reducing the taxes in accordance
4 with the department's determination. The order shall provide that the order is
5 effective only if the reduced taxes are paid within 10 days from the date on which the
6 order is issued. The department or its collection agents, upon receipt of the order,
7 shall accept payment in accordance with the order. Upon payment of the reduced
8 taxes, the department shall credit the unpaid portion of the principal amount of the
9 taxes and record the unpaid amount of costs, penalties, and interest accrued to the
10 date of the order.

11 (c) If within 3 years of the date of the order under par. (b) the department
12 ascertains that the taxpayer has an income or owns property sufficient to enable the
13 taxpayer to pay the unpaid portion of the principal amount of the taxes due,
14 including the costs, penalties and interest recorded under par. (b), the department
15 shall reopen the order under par. (b) and order the taxpayer to pay in full the unpaid
16 portion of the principal amount of the taxes due, including the costs, penalties and
17 interest recorded under par. (b). Before the entry of the order for payment, the
18 department shall send a written notice to the taxpayer, by certified mail, advising
19 the taxpayer of the department's intention to reopen the order under par. (b) and
20 fixing a time and place for the appearance of the taxpayer, if the taxpayer desires a
21 hearing. If the department determines that the taxpayer is able to pay the unpaid
22 portion of the principal amount of the taxes due, including the costs, penalties and
23 interest recorded under par. (b), the department shall enter the order for payment
24 in full. The unpaid portion of the principal amount of the taxes due, including the
25 costs, penalties and interest recorded under par. (b), shall be due and payable

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1 immediately upon entry of the order for payment in full and shall thereafter be
2 subject to the interest under s. 71.82 (2), as that subsection applies to delinquent
3 income and franchise taxes under s. 71.82, and to the delinquent account fee under
4 s. 73.03 (33m).

5 **SECTION 21.** 77.51 (20m) of the statutes is created to read:

6 77.51 (20m) "Taxable year" has the meaning given in s. 71.01 (12).

7 **SECTION 22.** 77.51 (22m) of the statutes is created to read:

8 77.51 (22m) "Used exclusively" means used in a nontaxable manner ~~in a~~

9 ~~taxable year~~ for at least 95% of total use ~~in the taxable year~~ the percentage to be
10 determined as follows, unless a person receives written approval from the
11 department of revenue to use an alternative method:

12 (a) For highway vehicles, including trailers and semitrailers, divide the
13 number of miles that the item is driven or hauled in a nontaxable manner in the
14 taxable year by the total number of miles that the item is driven or hauled in the same
15 taxable year.

16 (b) For an item other than that described in par. (a), divide the number of hours
17 that the item is used in a nontaxable manner in the taxable year by the total number
18 of hours that the item is used in the same taxable year.

19 **SECTION 23.** 77.54 (3) (b) 3. of the statutes is repealed.

20 **SECTION 24.** 77.54 (5) (b) of the statutes is amended to read:

21 77.54 (5) (b) Motor trucks, truck tractors, road tractors, buses, trailers and
22 semitrailers, and accessories, attachments, parts, supplies and materials therefor,
23 that are sold to common or contract carriers ~~who use such motor trucks, truck~~
24 ~~tractors, road tractors, buses, trailers and semitrailers~~ and that are used exclusively

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1 as common or contract carriers, including the urban mass transportation of
2 passengers as defined in s. 71.38.

3 **SECTION 25.** 77.54 (5) (c) of the statutes is amended to read:

4 77.54 (5) (c) Motor vehicles which are not required to be licensed for highway
5 use and which are used exclusively and directly used in conjunction with waste
6 reduction or recycling activities which reduce the amount of solid waste generated,
7 reuse solid waste, recycle solid waste, compost solid waste or recover energy from
8 solid waste. For the purposes of this paragraph, "solid waste" means garbage, refuse,
9 sludge or other materials or articles, whether these materials or articles are
10 discarded or purchased, including solid, semisolid, liquid or contained gaseous
11 materials or articles resulting from industrial, commercial, mining or agricultural
12 operations or from domestic use or from public service activities.

13 **SECTION 26.** 77.54 (6) (a) of the statutes is amended to read:

14 77.54 (6) (a) Machines and specific processing equipment and repair parts or
15 replacements thereof, used exclusively and directly used by a manufacturer in
16 manufacturing tangible personal property and safety attachments for those
17 machines and equipment.

18 **SECTION 27.** 77.54 (26m) of the statutes is amended to read:

19 77.54 (26m) The gross receipts from the sale of and the storage, use or other
20 consumption of waste reduction or recycling machinery and equipment, including
21 parts therefor, used exclusively and directly used for waste reduction or recycling
22 activities which reduce the amount of solid waste generated, reuse solid waste,
23 recycle solid waste, compost solid waste or recover energy from solid waste. The
24 exemption applies even though an economically useful end product results from the
25 use of the machinery and equipment. For the purposes of this subsection, "solid

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1 waste” means garbage, refuse, sludge or other materials or articles, whether these
2 materials or articles are discarded or purchased, including solid, semisolid, liquid or
3 contained gaseous materials or articles resulting from industrial, commercial,
4 mining or agricultural operations or from domestic use or from public service
5 activities.

6 SECTION 28. 77.58 (3) (c) of the statutes is created to read:

7 77.58 (3) (c) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
8 applies to a tax return filed under this section.

9 SECTION 29. 77.59 (4) (c) of the statutes is renumbered 77.59 (5m) and amended
10 to read:

11 77.59 (5m) A seller who receives a refund ~~under par. (a) or (b)~~ of taxes that the
12 seller has collected from buyers, who collects taxes erroneously from buyers, or who
13 is entitled to a refund that is offset under sub. (5), shall ~~return~~ submit the taxes and
14 related interest to the buyers from whom the taxes were collected. ~~The, or to the~~
15 department if the seller cannot locate the buyers, within 60 days after the date of the
16 refund, after the date of the offset or after discovering that the seller has collected
17 taxes erroneously from the buyers. If the seller does not submit the taxes and related
18 interest to the denartment or the buyers within that period, the seller shall ~~return~~
19 submit to the department any part of a refund or taxes that the seller does not ~~return~~
20 submit to a buyer or to the denartment along with a penalty of 25% of the amount
21 not ~~returned or submitted or, in the case of fraud,~~ a penalty equal to the amount not
22 ~~return~~ ~~the case of fraud~~ submitted.

23 SECTION 30. 77.59 (5) of the statutes is amended to read:

24 77.59 (5) The department may offset the amount of any refund for a period,
25 together with interest on the refund, against deficiencies for another period, and

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1 against penalties and interest on the deficiencies, or against any amount of whatever
2 kind, due and owing on the books of the department from the person claiming who
3 is entitled to the refund. If the refund is to be paid to a buyer, the department may
4 also set off amounts in the manner in which it sets off income tax and franchise tax
5 refunds under s. 71.93 and may set off amounts for child support or maintenance or
6 both in the manner in which it sets off income taxes under ss. 49.855 and 71.93 (3),
7 (6) and (7).

8 **SECTION 31.** 77.61 (3) of the statutes is amended to read:

9 77.61 (3) ~~The department shall provide~~ A retailer shall use either a bracket
10 system to be used by retailers in collecting or a straight mathematical computation,
11 under rules promulgated by the department, to determine the amount of the tax that
12 the retailer may collect from their the retailer's customers, but the use of such
13 brackets either a bracket system or a straight mathematical computation shall not
14 relieve the retailer from liability for payment of the full amount of the tax levied by
15 ss. 77.51 to 77.62.

16 **SECTION 32.** 77.9941 (4) of the statutes is amended to read:

17 77.9941 (4) Sections 77.72 (l), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (1),
18 (2) and (4), 77.77 (1) and (2), 77.785 (1) and 77.79, as they apply to the taxes under
19 subch. V, apply to the tax under this subchapter. Section 77.58 (30), as it applies to
20 the taxes under subch. III, applies to the tax under this subchapter.

21 **SECTION 33.** 77.9964 (2) of the statutes is amended to read:

22 77.9964 (2) Except as provided in s. 77.9961 (4), ~~sections~~ ss. 71.74 (1) to (3), (7)
23 and (9), 71.75 (l), (2), (6), (7), (9) and (10), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and
24 (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), and (17) and (18) to (19), 71.82
25 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) l., 2. and 6., (2) (a) 1. to 3. and

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1 (b) 1. to 3. and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2) and (4) to (6) and 71.93,
2 as they apply to the taxes under ch. 71, apply to the fees under this subchapter.

3 **SECTION 34.** 78.39 (5d) of the statutes is created to read:

4 78.39 **(5d)** "Pay" has the meaning given in s. 78.005 (13b).

5 **SECTION 35.** 78.39 (5m) of the statutes is created to read:

6 78.39 **(5m)** "Sign" has the meaning given in s. 78.005 (13r).

7 **SECTION 36.** 78.68 (10) of the statutes is amended to read:

8 78.68 (10) Except as provided in ss. 78.19, 78.20 (2) and 78.75 (1m) (b), s. 71.75
9 (2), (4) to (7) and (10), as it applies to the taxes under ch. 71, applies to the taxes under
10 this chapter. Section 71.74 (13), as it applies to refunds of the taxes under ch. 71,
11 applies to the refund of the taxes under this chapter and s. 71.80 (19), as it applies
12 to tax returns filed under ch. 71, applies to returns filed under this chapter.

13 **SECTION 37.** 139.11 (2r) of the statutes is created to read:

14 **139.11 (2r)** WHOLE DOLLAR AMOUNTS. Section 71.80 (19), as it applies to a tax
15 return filed under ch. 71, applies to a report filed under this subchapter.

16 **SECTION 38.** 139.38 (2r) of the statutes is created to read:

17 139.38 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
18 applies to a report filed under this subchapter.

19 **SECTION 39.** 139.75 (9m) of the statutes is created to read:

20 139.75 **(9m)** "Sign" has the meaning given in s. 139.01 (9m).

21 **SECTION 40.** 139.82 (2r) of the statutes is created to read:

22 139.82 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
23 applies to a report filed under this subchapter.

24 **SECTION 41. Nonstatutory provisions.**

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1 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** Notwithstanding section 77.59
2 (5m) of the statutes, as affected by this act, a seller who is required to submit to a
3 buyer a refund or a tax collected erroneously under section 77.59 (5m) of the statutes,
4 as affected by this act, from sales that occurred after August 31, 1994, but before the
5 effective date of this subsection shall submit that refund or tax to the buyer, or to the
6 department of revenue if the seller cannot locate the buyer, within 60 days after the
7 effective date of this subsection. A refund or tax that is not submitted to the buyer
8 or to the department of revenue within that period is subject to the penalties imposed
9 under section 77.59 (5m) of the statutes, as affected by this act.

SECTION 42. Initial applicability.

10 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
11 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes first applies retroactively to
12 refunds that were due on sales that first occurred on September 1, 1994, and to taxes
13 first collected erroneously on September 1, 1994.

14 (2) **MARRIED PERSONS' TAX LIABILITY.** The treatment of section 71.10 (6) (a) and
15 (b) and (6m) (a) of the statutes first applies to tax liability that arises on the effective
16 date of this subsection or that remains unpaid on the effective date of this subsection.

17 (3) **WITHHOLDING REPORTS.** The treatment of section 71.65 (5) (a) 1. of the
18 statutes first applies to withholding reports that are due on January 31, 2000.

19 **SECTION 43. Effective dates.** This act takes effect on the day after publication,
20 except as follows:

21 (1) **REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
22 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes takes effect retroactively to
23 September 1, 1994.
24

Kreye, Joseph

From: Gates-Hendrix, Sherrie
Sent: Thursday, December 09, 1999 1:25 PM
To: Kreye, Joseph
Subject: 2437/4 - taxpayer friendly

Joe -
I'd like to have the references to the recycling surcharge taken out of this draft since the surcharge resurfaced in Act 9. I believe that entails eliminating sections 3, 4, 10 and 11.
Thanks.
S.



99-2437/4



1999 BILL

in 12-9-99

re gen

1 **AN ACT** to **repeal** 71.80 (19) (a) (title), 71.80 (19) (b), 71.80 (19) (c) and 77.54 (3)

2 (b) 3.; **to renumber and amend** 71.80 (19) (a) and 77.59 (4) (c); **to amend 50.14**

3 (4), 71.09 (1) (b), 71.09 (13) (a) 2., 71.10 (6) (a), 71.10 (6) (b), 71.10 (6m) (a), 71.29

4 (1) (b), 71.29 (9) (a) 2., 71.65 (5) (a) 1., 73.01 (4) (a), 77.54 (5) (b), 77.54 (5) (c),

5 77.54 (6) (a), 77.54 (26m), 77.59 (5), 77.61 (3), 77.9941 (4), 77.9964 (2) and 78.68

6 (10); and **to create 20.566** (1) (hd), 71.10 (6) (e), 71.10 (6m) (c), 71.80 (21), 72.30

7 (1m), 73.13, 77.51 (20m), 77.51 (22m), 77.58 (3) (c), 78.39 (5d), 78.39 (5m),

8 139.11 (2r), 139.38 (2r), 139.75 (9m) and 139.82 (2r) of the statutes; **relating**

9 to: the liability of married persons filing a joint income tax return, the payment

10 of the alternate fuel tax and the tobacco products tax, reducing nondelinquent

11 taxes, rounding dollar amounts to whole dollars on all tax returns, allowing a

12 mathematical computation of sales and use taxes, items used exclusively for

13 tax-exempt purposes, paying taxes with a credit card, extending the time for

14 filing a tax withholding report, ~~excluding the temporary recycling surcharge.~~

14

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1

from the computation of estimated tax payments, granting rule-making authority, making an appropriation and providing a penalty.

2

Analysis by the Legislative Reference Bureau

REDUCING TAXES

Under current law, any taxpayer may petition the department of revenue (DOR) to reduce delinquent taxes, including any applicable costs, penalties and interest. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer under oath, the taxpayer's financial statements and any other information required by DOR, DOR determines the amount that the taxpayer is able to pay and then enters an order reducing the taxes, costs, penalties and interest owed by the taxpayer.

If within three years from the date on which DOR enters the order that reduces the taxpayer's taxes DOR determines that the taxpayer has an income or owns property that is sufficient to enable the taxpayer to pay the remainder of the original delinquent taxes, including costs, penalties and interest, DOR must reopen the order and order the payment in full of such taxes, costs, penalties and interest.

This bill expands current law so that DOR is authorized to reduce any taxes, costs, penalties and interest that are due from a taxpayer, regardless of whether the taxes, costs, penalties and interest are delinquent.

INCOME AND FRANCHISE TAXES

Under current law, spouses that file a joint income tax return are both liable for the payment of any tax related to that return. However, DOR may relieve a person of any tax liability related to a joint return, in a manner specified by the Internal Revenue Code and adopted by this state. Generally, DOR may relieve a person of any tax liability related to a joint return if the person's spouse did not notify the person of any tax liability or understatement of taxes related to the joint return. This bill corrects an outdated reference to the sections of the Internal Revenue Code that relate to a spouse's tax liability for a joint income tax return. The bill also requires a spouse to apply for relief from tax liability within two years from the date on which DOR begins collection activities on the spouse's tax liability or within two years from the effective date of the provision, whichever is later.

Under current law, an employer is required to deduct and withhold state income taxes from an employe's pay and to deposit those taxes with DOR on a quarterly basis. An employer must also file a tax withholding report with DOR on a monthly, quarterly or annual basis. Under current law, DOR cannot grant an employer an extension for filing such a report. Before 1999, DOR could grant a 30-day extension for filing a withholding report to an employer who showed good cause for granting that extension. This bill restores the prior law which allowed DOR to grant such an extension.

7

Under current law, a temporary recycling surcharge is imposed on a business or a corporation based on the net income of a business or the gross tax liability of a corporation. The temporary recycling surcharge amount that a business or

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corporation paid in the previous taxable year is included in the calculation to determine the estimated tax payments that are due from a business or corporation for the current taxable year. The temporary recycling surcharge will not be imposed on a business or a corporation for taxable years ending after April 1, 1999. Under this bill, the temporary recycling surcharge amount will not be included in the calculation to determine the estimated tax payments that are due from a business or corporation for taxable years ending after April 1, 1999.

SALES AND USE TAXES

Under current law, a retailer is required to use a bracket system, as determined by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services. Under this bill, a retailer may also use a straight mathematical computation, under rules promulgated by DOR, to compute the sales or use taxes that the retailer must collect from the sale of goods and services.

Under current law, the sales of certain goods are exempt from the sales and use taxes if those goods are used exclusively for a particular purpose. This bill clarifies the scope of such exemptions by providing that the sales of certain goods are exempt from the sales and use taxes if those goods are used in a nontaxable manner to the exclusion of all other uses, except for other uses that do not exceed 5% of total use in a year.

Under current law, if a seller makes a claim for a refund of sales taxes or use taxes and the claim is honored, the seller is required to pass along the refund and related interest to the buyers and to submit to DOR the portion of the refund that could not be passed on, along with a penalty. Under current law, if a seller receives a sales or use tax refund as the result of an audit, the seller is not required to submit the refund and related interest to the buyers. Also, a seller is not required to submit to the buyers sales or use taxes that are collected erroneously.

This bill requires a seller who receives any refund of sales or use taxes, or who collects sales or use taxes erroneously, to submit such a refund or taxes to the buyer, or to DOR if the buyer cannot be located, within 60 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within that 60 days must be submitted to DOR, along with a penalty.

OTHER TAXATION

Under current law, a taxpayer may round dollar amounts on an income or franchise tax return to the nearest whole dollar. This bill permits DOR to require a taxpayer round dollar amounts to the nearest whole dollar on an income or franchise tax return. This bill also permits DOR to require that a taxpayer round dollar amounts to the nearest whole dollar on tax returns or tax reports related to sales and use taxes, estate taxes, fuel taxes, cigarette and tobacco product taxes, alcohol taxes, food and beverage taxes, premier resort area taxes, rental car fees and dry cleaning fees.

This bill allows DOR to accept payment for taxes, costs, penalties and interest from a taxpayer by use of a credit card and allows DOR to impose a credit card service charge on such payments.

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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:

1 **SECTION 1.** 20.566 (1) (hd) of the statutes is created to read:

2 20.566 (1) (hd) ***Credit cardpayment service charge.*** From moneys received from
3 credit card payment service charges collected under s. 71.80 (21) (c), a sum sufficient
4 to pay the costs incurred by the department of revenue to provide for the payment
5 of taxes by credit card, including the cost of contracting services under s. 71.80 (21)
6 (d).

7 **SECTION 2.** 50.14 (4) of the statutes is amended to read:

8 50.14 (4) Sections 77.59 (1) to ~~(5)~~ (5m), (6) (intro.), (a) and (c) and (7) to (lo),,
9 77.60 (1) to (7), (9) and (10), 77.61 (9) and (12) to (14) and 77.62, as they apply to the
10 taxes under subch. III of ch. 77, apply to the assessment under this section.

11 **SECTION 3.** 71.09 (1) (b) of the statutes is amended to read:

12 71.09 (1) (b) "Tax shown on the return" and "tax for the taxable year" mean the
13 net tax imposed under s. 71.02 after reduction for exemptions to, and credits against,
14 that tax but before reduction by amounts withheld under subch. X and before
15 reduction for amounts paid as estimated tax under this section for that tax plus the
16 tax imposed under s. 71.08 before reduction for amounts paid as estimated tax under
17 this section for that tax plus, for taxable years ending before April 1, 1999, the
18 surcharge imposed under s. 77.93 before reduction for amounts paid as estimated tax
19 under this section for that surcharge.

20 **SECTION 4.** 71.09 (13) (a).2. of the statutes is amended to read:

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1 71.09 (13) (a) 2. The tax shown on the return for the preceding year. If a
 2 husband and wife who filed separate returns for the preceding taxable year file a
 3 joint return, the tax shown on the return for the preceding year is the sum of the taxes
 4 shown on the separate returns of the husband and wife. If a husband and wife who
 5 filed a joint return for the preceding taxable year file separate returns, the tax shown
 6 on the return for the preceding year is the husband's or wife's proportion of that tax
 7 based on what their respective tax liabilities for that year would have been had they
 8 filed separately. For taxable years ending after April 1, 1999, the tax shown on the
 9 return for the preceding year does not include the surcharge imposed under s. 77.93.

10 **SECTION 5.** 71.10 (6) (a) of the statutes is amended to read:

11 71.10 (6) (a) *Joint returns.* Persons filing a joint return are jointly and severally
 12 liable for the tax, interest, penalties, fees, additions to tax and additional
 13 assessments under this chapter applicable to the return. ~~A- Except as provided in~~
 14 par. (e), a person shall be relieved of liability in regard to a joint return in the manner
 15 specified in section 6013 (e) 6015 (a) to (d) and (f) of the internal revenue code,
 16 notwithstanding the amount or percentage of the understatement Internal Revenue
 17 Code.

18 **SECTION 6.** 71.10 (6) (b) of the statutes is amended to read:

19 71.10 (6) (b) *Separate returns.* ~~A- Except as provided in par. (e), a spouse filing~~
 20 ~~a separate return may be relieved of liability for the tax, interest, penalties, fees,~~
 21 ~~additions to tax and additional assessments under this chapter with regard to~~
 22 ~~unreported marital property income in the manner specified in section 66 (c) of the~~
 23 ~~internal revenue code Internal Revenue Code.~~ The department may not apply ch.
 24 766 in assessing a taxpayer with respect to marital property income the taxpayer did
 25 not report if that taxpayer failed to notify the taxpayer's spouse about the amount

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1 and nature of the income before the due date, including extensions, for filing the
2 return for the taxable year in which the income was derived. The department shall
3 include all of that marital property income in the gross income of the taxpayer and
4 exclude all of that marital property income from the gross income of the taxpayer's
5 spouse.

6 **SECTION 7.** 71.10 (6) (e) of the statutes is created to read:

7 71.10 (6) (e) **Application for relief:** A person who seeks relief from liability
8 under par. (a) or (b) shall apply for relief with the department, on a form prescribed
9 by the department, within 2 years after the date on which the department first
10 begins collection activities after the effective date of this paragraph [revisor
11 inserts date].

12 **SECTION 8.** 71.10 (6m) (a) of the statutes is amended to read:

13 71.10 (6m) (a) ~~A. Except as provided in nar. (c), a~~ formerly married or remarried
14 person filing a return for a period during which the person was married may be
15 relieved of liability for the tax, interest, penalties, fees, additions to tax and
16 additional assessments under this chapter ~~for unreported marital property income~~
17 from that period as if the person were a spouse under section 66 (c) of the ~~internal~~
18 ~~revenue code~~ Internal Revenue Code. The department may not apply ch. 766 in
19 assessing the former spouse of the person with respect to marital property income
20 that the former spouse did not report if that former spouse failed to notify the person
21 about the amount and nature of the income before the due date, including extensions,
22 for filing the return for the taxable year during which the income was derived. The
23 department shall include all of that marital property income in the gross income of
24 the former spouse and exclude all of that marital property income from the gross
25 income of the person.

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1 SECTION 9. 71.10 (6m) (c) of the statutes is created to read:

2 71.10 (6m) (c) A person who seeks relief from liability under par. (a) shall apply
3 for relief with the department as provided under sub. (6) (e).

4 SECTION 10. 71.29 (1) (b) of the statutes is amended to read:

5 71.29 (1)(b) "Tax shown on the return" and "tax for the taxable year" mean the
6 net taxes imposed under s. 71.23 (1) or (2) after reduction for credits against those
7 taxes but before reduction for amounts paid as estimated tax under this section plus,
8 for taxable years ending before April 1, 1999, the surcharge imposed under s. 77.93
9 before reduction for amounts paid as estimated tax under this section for that
10 surcharge.

11 SECTION 11. 71.29 (9) (a) 2. of the statutes is amended to read:

12 71.29 (9) (a) 2. The tax shown on the return for the preceding year, except that
13 for taxable years ending after April 1, 1999, the tax shown on the return does not
14 include the surcharge imposed under s. 77.93.

15 SECTION 12. 71.65 (5) (a) 1. of the statutes is amended to read:

16 71.65 (5) (a) 1. Thirty days for filing a wage statement under sub. (1) or an
17 annual withholding report under sub. (3) (a) or (d).

18 SECTION 13. 71.80 (19) (a) (title) of the statutes is repealed.

19 SECTION 14. 71.80 (19) (a) of the statutes is renumbered 71.80 (19) and
20 amended to read:

21 71.80 (19) **WHOLE DOLLAR AMOUNTS.** With At the request of the department,
22 with respect to any amount required to be shown on a form prescribed for any return,
23 statement or other document required by this chapter, if the amount of such item is
24 other than a whole dollar amount the fractional part of a dollar shall be disregarded

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1 unless it amounts to 50 cents or more, in which case the amount (determined without
2 regard to the fractional part of a dollar) shall be increased to the next whole dollar.

3 **SECTION 15.** 71.80 (19) (b) of the statutes is repealed.

4 **SECTION 16.** 71.80 (19) (c) of the statutes is repealed.

5 **SECTION 17.** 71.80 (21) of the statutes is created to read:

6 **71.80 (21) CREDIT CARD PAYMENTS.** (a) In this subsection, "taxes" has the
7 meaning given in s. 71.91 (6) (a) 4.

8 (b) The department may accept payment by credit card of taxes that are
9 required to be paid to the department under this chapter.

10 (c) If the department permits the payment of taxes by credit card under par.
11 (b), the department shall impose a credit card service charge on that payment. The
12 credit card service charge shall be in addition to the taxes that are being paid by
13 credit card and shall be an amount that is no greater than necessary to pay the costs
14 to the department for providing payment by credit card, including the cost of any
15 services for which the department contracts under par. (d).

16 (d) The department may contract for services relating to credit card payments
17 under this section.

18 **SECTION 18.** 72.30 (1m) of the statutes is created to read:

19 **72.30 (1m) WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
20 return filed under ch. 71, applies to a tax return filed under sub. (1).

21 **SECTION 19.** 73.01 (4) (a) of the statutes is amended to read:

22 **73.01 (4) (a)** Subject to the provisions for judicial review contained in s. 73.015,
23 the commission shall be the final authority for the hearing and determination of all
24 questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss.
25 70.11 (21), 70.38 (4) (a), 70.397, 70.64 and 70.995 (8), s. 76.38 (12) (a), 1993 stats., ss.

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1 **76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (5m) and (6) (b), 78.01, 78.22, 78.40,**
2 **78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76 and 139.78, subch.**
3 **XIV of ch. 71 and subch. VII of ch. 77. Whenever with respect to a pending appeal**
4 **there is filed with the commission a stipulation signed by the department of revenue**
5 **and the adverse party, under s. 73.03 (25), agreeing to an affirmance, modification**
6 **or reversal of the department's position with respect to some or all of the issues raised**
7 **in the appeal, the commission shall enter an order affirming or modifying in whole**
8 **or in part, or canceling the assessment appealed from, or allowing in whole or in part**
9 **or denying the petitioner's refund claim, as the case may be, pursuant to and in**
10 **accordance with the stipulation filed. No responsibility shall devolve upon the**
11 **commission, respecting the signing of an order of dismissal as to any pending appeal**
12 **settled by the department without the approval of the commission.**

13 **SECTION 20.** 73.13 of the statutes is created to read:

14 **73.13 Reducing nondelinquent taxes. (1)** In this section:

15 (a) "Department" means the department of revenue.

16 (b) "Tax" means an amount that is owed to this state under s. 66.75 (1m) (f) 3.
17 or ch. 71, 72, 76, 77, 78 or 139, and that is not delinquent.

18 **(2)** (a) A taxpayer may petition the department to reduce the taxpayer's taxes,
19 including the costs, penalties and interest related to the taxpayer's taxes. The
20 petition shall set forth a sworn statement of the taxpayer and shall be in a form that
21 the department prescribes. The department may examine the taxpayer under oath
22 about the petition and may require the taxpayer to provide the department with
23 financial statements and any other information requested by the department that
24 is related to the petition.

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1 (b) If the department determines that the taxpayer is unable to pay the taxes,
2 costs, penalties and interest in full, the department shall determine the amount that
3 the taxpayer is able to pay and shall enter an order reducing the taxes in accordance
4 with the department's determination. The order shall provide that the order is
5 effective only if the reduced taxes are paid within **10** days from the date on which the
6 order is issued. The department or its collection agents, upon receipt of the order,
7 shall accept payment in accordance with the order. Upon payment of the reduced
8 taxes, the department shall credit the unpaid portion of the principal amount of the
9 taxes and record the unpaid amount of costs, penalties, and interest accrued to the
10 date of the order.

11 (c) If within 3 years of the date of the order under par. (b) the department
12 ascertains that the taxpayer has an income or owns property sufficient to enable the
13 taxpayer to pay the unpaid portion of the principal amount of the taxes due,
14 including the costs, penalties and interest recorded under par. (b), the department
15 shall reopen the order under par. (b) and order the taxpayer to pay in full the unpaid
16 portion of the principal amount of the taxes due, including the costs, penalties and
17 interest recorded under par. (b). Before the entry of the order for payment, the
18 department shall send a written notice to the taxpayer, by certified mail, advising
19 the taxpayer of the department's intention to reopen the order under par. (b) and
20 fixing a time and place for the appearance of the taxpayer, if the taxpayer desires a
21 hearing. If the department determines that the taxpayer is able to pay the unpaid
22 portion of the principal amount of the taxes due, including the costs, penalties and
23 interest recorded under par. (b), the department shall enter the order for payment
24 in full. The unpaid portion of the principal amount of the taxes due, including the
25 costs, penalties and interest recorded under par. (b), shall be due and payable

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1 immediately upon entry of the order for payment in full and shall thereafter be
2 subject to the interest under s. 71.82 (2), as that subsection applies to delinquent
3 income and franchise taxes under s. 71.82, and to the delinquent account fee under
4 s. 73.03 (33m).

5 **SECTION 21.** 77.51 (20m) of the statutes is created to read:

6 77.51 (20m) "Taxable year" has the meaning given in s. 71.01 (12).

7 **SECTION 22.** 77.51 (22m) of the statutes is created to read:

8 77.51 (22m) "Used exclusively" means used in a nontaxable manner for at least
9 95% of total use, the percentage to be determined as follows, unless a person receives
10 written approval from the department of revenue to use an alternative method:

11 (a) For highway vehicles, including trailers and semitrailers, divide the
12 number of miles that the item is driven or hauled in a nontaxable manner in the
13 taxable year by the total number of miles that the item is driven or hauled in the same
14 taxable year.

15 (b) For an item other than that described in par. (a), divide the number of hours
16 that the item is used in a nontaxable manner in the taxable year by the total number
17 of hours that the item is used in the same taxable year.

18 **SECTION 23.** 77.54 (3) (b) 3. of the statutes is repealed.

19 **SECTION 24.** 77.54 (5) (b) of the statutes is amended to read:

20 77.54 (5) (b) Motor trucks, truck tractors, road tractors, buses, trailers and
21 semitrailers, and accessories, attachments, parts, supplies and materials therefor,
22 that are sold to common or contract carriers who use such motor trucks, truck
23 ~~tractors, road tractors, buses, trailers and semitrailers and that are used exclusively~~
24 as common or contract carriers, including the urban mass transportation of
25 passengers as defined in s. 71.38.

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1 **SECTION 25.** 77.54 (5) (c) of the statutes is amended to read:

2 77.54 (5) (c) Motor vehicles which are not required to be licensed for highway
3 use and which are used exclusively and directly ~~used~~ in conjunction with waste
4 reduction or recycling activities which reduce the amount of solid waste generated,
5 reuse solid waste, recycle solid waste, compost solid waste or recover energy from
6 solid waste. For the purposes of this paragraph, "solid waste" means garbage, refuse,
7 sludge or other materials or articles, whether these materials or articles are
8 discarded or purchased, including solid, semisolid, liquid or contained gaseous
9 materials or articles resulting from industrial, commercial, mining or agricultural
10 operations or from domestic use or from public service activities.

11 **SECTION 26.** 77.54 (6) (a) of the statutes is amended to read:

12 77.54 (6) (a) Machines and specific processing equipment and repair parts or
13 replacements thereof, used exclusively and directly ~~used~~ by a manufacturer in
14 manufacturing tangible personal property and safety attachments for those
15 machines and equipment.

16 **SECTION 27.** 77.54 (26m) of the statutes is amended to read:

17 77.54 **(26m)** The gross receipts from the sale of and the storage, use or other
18 consumption of waste reduction or recycling machinery and equipment, including
19 parts therefor, used exclusively and directly ~~used~~ for waste reduction or recycling
20 activities which reduce the amount of solid waste generated, reuse solid waste,
21 recycle solid waste, compost solid waste or recover energy from solid waste. The
22 exemption applies even though an economically useful end product results from the
23 use of the machinery and equipment. For the purposes of this subsection, "solid
24 waste" means garbage, refuse, sludge or other materials or articles, whether these
25 materials or articles are discarded or purchased, including solid, semisolid, liquid or

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1 contained gaseous materials or articles resulting from industrial, commercial,
2 mining or agricultural operations or from domestic use or from public service
3 activities.

4 **SECTION 28.** 77.58 (3) (c) of the statutes is created to read:

5 77.58 (3) (c) Section 71.80 (19), as it applies to a tax return filed under ch. 71,
6 applies to a tax return filed under this section.

7 **SECTION 29.** 77.59 (4) (c) of the statutes is renumbered 77.59 (5m) and amended
8 to read:

9 77.59 (5m) A seller who receives a refund ~~under par. (a) or (b)~~ of taxes that the
10 seller has collected from buyers, who collects taxes erroneously from buyers, or who
11 is entitled to a refund that is offset under sub. (5), shall return submit the taxes and
12 related interest to the buyers from whom the taxes were collected. ~~The, or to the~~
13 department if the seller cannot locate the buyers, within 60 days after the date of the
14 refund, after the date of the offset or after discovering that the seller has collected
15 taxes erroneously from the buyers. If the seller does not submit the taxes and related
16 interest to the department or the buyers within that period, the seller shall return
17 submit to the department any part of a refund or taxes that the seller does not ~~return~~
18 submit to a buyer or to the department along with a penalty of 25% of the amount
19 not ~~returned or submitted or, in the case of fraud,~~ a penalty equal to the amount not
20 ~~returned in the case of fraud~~ submitted.

21 **SECTION 30.** 77.59 (5) of the statutes is amended to read:

22 77.59 (5) The department may offset the amount of any refund for a period,
23 together with interest on the refund, against deficiencies for another period, and
24 against penalties and interest on the deficiencies, or against any amount of whatever
25 kind, due and owing on the books of the department from the person ~~claiming~~ who

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1 is entitled to the refund. If the refund is to be paid to a buyer, the department may
2 also set off amounts in the manner in which it sets off income tax and franchise tax
3 refunds under s. 71.93 and may set off amounts for child support or maintenance or
4 both in the manner in which it sets off income taxes under ss. 49.855 and 71.93 (3),
5 (6) and (7).

6 **SECTION 31.** 77.61 (3) of the statutes is amended to read:

7 77.61 (3) ~~The department shall provide~~ A retailer shall use either a bracket
8 system to be used by retailers in collecting or a straight mathematical commutation,
9 under rules promulgated by the denartment. to determine the amount of the tax that
10 the retailer may collect from their the retailer's customers, but the use of such
11 brackets either a bracket system or a straight mathematical computation shall not
12 relieve the retailer from liability for payment of the full amount of the tax levied by
13 ss. 77.51 to 77.62.

14 **SECTION 32.** 77.9941 (4) of the statutes is amended to read:

15 77.9941 (4) Sections 77.72 (1), (2) (a) and (3) (a), ~~77.73, 77.74, 77.75, 77.76 (l),~~
16 (2) and (4), 77.77 (1) and (2), 77.785 (1) and 77.79, as they apply to the taxes under
17 subch. V, apply to the tax under this subchapter. Section 77.58 (3) (c), as it applies
18 to the taxes under subch. III, applies to the tax under this subchapter.

19 **SECTION 33.** 77.9964 (2) of the statutes is amended to read:

20 77.9964 (2) Except as provided in s. 77.9961 (4), ~~sections ss. 71.74 (1) to (3), (7)~~
21 ~~and (9), 71.75 (1), (2), (6), (7), (9) and (10), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and~~
22 ~~(5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), and (17) and (18) to (19), 71.82~~
23 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) l., 2. and 6., (2) (a) 1. to 3. and
24 (b) 1. to 3. and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2) and (4) to (6) and 71.93,
25 as they apply to the taxes under ch. 71, apply to the fees under this subchapter.

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1 **SECTION 34.** 78.39 (5d) of the statutes is created to read:

2 78.39 **(5d)** “Pay” has the meaning given in s. 78.005 (13b).

3 **SECTION 35.** 78.39 (5m) of the statutes is created to read:

4 78.39 **(5m)** “Sign” has the meaning given in s. 78.005 (13r).

5 **SECTION 36.** 78.68 (10) of the statutes is amended to read:

6 78.68 **(10)** Except as provided in ss. 78.19, 78.20 (2) and 78.75 (lm) (b), s. 71.75
7 (2), (4) to (7) and (10), as it applies to the taxes under ch. 71, applies to the taxes under
8 this chapter. Section 71.74 (13), as it applies to refunds of the taxes under ch. 71,
9 applies to the refund of the taxes under this chapter and s. 71.80 (19), as it applies
10 to tax returns filed under ch. 71, applies to returns filed under this chapter.

11 **SECTION 37.** 139.11 (2r) of the statutes is created to read:

12 **139.11 (2r) WHOLE DOLLAR AMOUNTS.** Section 71.80 (19), as it applies to a tax
13 return filed under ch. 71, applies to a report filed under this subchapter.

14 **SECTION 38.** 139.38 (2r) of the statutes is created to read:

15 139.38 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
16 applies to a report filed under this subchapter.

17 **SECTION 39.** 139.75 (9m) of the statutes is created to read:

18 139.75 **(9m)** “Sign” has the meaning given in s. 139.01 (9m).

19 **SECTION 40.** 139.82 (2r) of the statutes is created to read:

20 139.82 **(2r)** Section 71.80 (19), as it applies to a tax return filed under ch. 71,
21 applies to a report filed under this subchapter.

22 **SECTION 41. Nonstatutory provisions.**

23 **(1) REFUND SAND TAXES COLLECTED ERRONEOUSLY.** Notwithstanding section 77.59
24 (5m) of the statutes, as affected by this act, a seller who is required to submit to a
25 buyer a refund or a tax collected erroneously under section 77.59 (5m) of the statutes,

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1 as affected by this act, from sales that occurred after August 31, 1994, but before the
2 effective date of this subsection shall submit that refund or tax to the buyer, or to the
3 department of revenue if the seller cannot locate the buyer, within 60 days after the
4 effective date of this subsection. A refund or tax that is not submitted to the buyer
5 or to the department of revenue within that period is subject to the penalties imposed
6 under section 77.59 (5m) of the statutes, as affected by this act.

SECTION 42. Initial applicability.

7
8 **(1) REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
9 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes first applies retroactively to
10 refunds that were due on sales that first occurred on September 1, 1994, and to taxes
11 first collected erroneously on September 1, 1994.

12 **(2) MARRIED PERSONS' TAX LIABILITY.** The treatment of section 71.10 (6) (a) and
13 (b) and (6m) (a) of the statutes first applies to tax liability that arises on the effective
14 date of this subsection or that remains unpaid on the effective date of this subsection.

15 **(3) WITHHOLDING REPORTS.** The treatment of section 71.65 (5) (a) 1. of the
16 statutes first applies to withholding reports that are due on January 31, 2000.

17 **SECTION 43. Effective dates.** This act takes effect on the day after publication,
18 except as follows:

19 **(1) REFUNDS AND TAXES COLLECTED ERRONEOUSLY.** The treatment of sections 50.14
20 (4), 73.01 (4) (a) and 77.59 (4) (c) and (5) of the statutes takes effect retroactively to
21 September 1, 1994.

22 **(2) SALES AND USE TAX EXEMPTIONS AND COMPUTATIONS.** The treatment of sections
23 77.51 (20m) and (22m), 77.54 (3) (b) 3. and (5) (b) and (c), (6) (a) and (26m) and 77.61

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1 (3) of the statute takes effect on the first day of the 2nd month beginning after
2 publication.

3 (END)