

## 1999 ASSEMBLY BILL 839

March 7, 2000 – Introduced by Representatives HOVEN and LASSA, cosponsored by Senators SHIBILSKI and DARLING, by request of Department of Revenue. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 70.111 (22), 70.995 (1) (d) and 70.995 (2) (intro.); and **to repeal**  
2 **and recreate** 70.995 (2) (a) to (w) of the statutes; **relating to:** references to the  
3 North American Industry Classification System related to the assessment of  
4 manufacturing property and the property tax exemption for rented personal  
5 property.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the state conducts the property tax assessment of manufacturing property. Property is considered manufacturing property, generally, if the property owner's business is classified as a manufacturing activity in the 1987 edition of the Standard Industrial Classification Manual. Also, under current law, rented personal property is exempt from property taxes if the property is owned by a general rental center, as defined by the Standard Industrial Classification Manual. In 1997, the U.S. office of management and budget published the North American Industry Classification System which supersedes the 1987 Standard Industrial Classification Manual.

Under this bill, references to the Standard Industrial Classification Manual, as they relate to the property tax assessment of manufacturing property and rented personal property, are replaced with references to the North American Industry Classification System.

Under current law, personal property that is owned by a hardware store and rented for temporary use is not exempt from the personal property tax. This bill

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extends the personal property tax exemption for rented personal property to personal property that is owned by a hardware store and rented for temporary use. Under the bill, computer equipment that is rented for temporary use is not exempt from the personal property tax.

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.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 70.111 (22) of the statutes is amended to read:

2           70.111 **(22)** RENTED PERSONAL PROPERTY. Personal property held for rental and  
3 rented without an operator for periods of one month or less to multiple users for their  
4 temporary use, if the property is ~~not rented with an operator, if the owner is classified~~  
5 in industry number 532310 of the 1997 North American Industry Classification  
6 System Manual published by the U.S. office of management and budget and the  
7 property owner is not a subsidiary or affiliate of any other enterprise which is  
8 engaged in any business other than personal property rental, or if the property owner  
9 is classified in ~~group number 735, industry number 7359 444130~~ of the ~~1987~~  
10 standard industrial classification manual 1997 North American Industry  
11 Classification System Manual published by the U.S. office of management and  
12 budget ~~and if the. Personal property that is equipment, including exempt under this~~  
13 subsection includes construction equipment but does not ~~including~~ include  
14 automotive and computer-related equipment, television sets, video recorders and  
15 players, cameras, photographic equipment, audiovisual equipment, photocopying  
16 equipment, sound equipment, public address systems and video tapes; party  
17 supplies; appliances; tools; dishes; silverware; tables; or banquet accessories.

18           **SECTION 2.** 70.995 (1) (d) of the statutes is amended to read:

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1           70.995 (1) (d) Except for the activities under sub. (2), activities not classified  
2 as manufacturing in the ~~standard industrial classification manual, 1987 edition~~  
3 1997 North American Industry Classification System, published by the U.S. office  
4 of management and budget are not manufacturing for this section.

5           **SECTION 3.** 70.995 (2) (intro.) of the statutes is amended to read:

6           70.995 (2) FURTHER CLASSIFICATION. (intro.) In addition to the criteria set forth  
7 in sub. (1), property shall be deemed prima facie manufacturing property and eligible  
8 for assessment under this section if it is included in one of the following ~~major group~~  
9 industry classifications set forth in the ~~standard industrial classification manual,~~  
10 1987 edition 1997 North American Industry Classification System, published by the  
11 U.S. office of management and budget. For the purposes of this section, any other  
12 property described in this subsection shall also be deemed manufacturing property  
13 and eligible for assessment under this section:

14           **SECTION 4.** 70.995 (2) (a) to (w) of the statutes are repealed and recreated to  
15 read:

16           70.995 (2) (a) 21 — Mining.

17           (b) 311 — Food manufacturing.

18           (c) 312 — Beverage and tobacco product manufacturing.

19           (d) 313 — Textile mills.

20           (e) 314 — Textile product mills.

21           (f) 315 — Apparel manufacturing.

22           (g) 316 — Leather and allied product manufacturing.

23           (h) 321 — Wood product manufacturing.

24           (i) 322 — Paper manufacturing.

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1 (j) 323 — Printing and related support activities, including the printing of  
2 material by an establishment and the publishing of such material by the same  
3 establishment.

4 (k) 324 — Petroleum and coal products manufacturing.

5 (L) 325 — Chemical manufacturing.

6 (m) 326 — Plastics and rubber products manufacturing.

7 (n) 327 — Nonmetallic mineral product manufacturing.

8 (o) 331 — Primary metal manufacturing.

9 (p) 332 — Fabricated metal product manufacturing.

10 (q) 333 — Machinery manufacturing.

11 (r) 334 — Computer and electronic product manufacturing.

12 (s) 335 — Electrical equipment, appliance and component manufacturing.

13 (t) 336 — Transportation equipment manufacturing.

14 (u) 337 — Furniture and related product manufacturing.

15 (v) 339 — Miscellaneous manufacturing.

16 (w) 81292 — Photofinishing.

17 **SECTION 5. Initial applicability.**

18 (1) This act first applies to the property tax assessments as of January 1, 2000.

19 (END)