

## 1999 ASSEMBLY BILL 888

March 16, 2000 - Introduced by Representatives HOVEN, AINSWORTH and NASS, cosponsored by Senators ROESSLER and FARROW. Referred to Committee on Transportation.

1     **AN ACT** *to amend* 70.112 (4); and *to create* 70.11 (41), 76.39 (6) and 76.46 (4) of  
2           the statutes; **relating to:** the gross earnings tax and property tax imposed on  
3           car line companies.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the state imposes a tax on the gross earnings of a car line company at the rate of 3% of those gross earnings. A car line company is a company that leases railroad cars or other railroad transportation equipment. The tax is imposed on the gross earnings of a car line company in lieu of imposing property taxes on the railroad cars and other railroad transportation equipment of a car line company.

Under this bill, the tax on the gross earnings of a car line company does not apply to taxable years beginning after December 31, 1999. Under the bill, the property of a car line company, including railroad cars and other railroad transportation equipment, is exempt from property taxes.

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:***

4           **SECTION 1.** 70.11 (41) of the statutes is created to read:

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1           70.11 **(41)** CAR LINE COMPANY. Property of a car line company, as defined in s.  
2 76.39 (1) (b), including car line equipment, as defined in s. 76.39 (1) (c).

3           **SECTION 2.** 70.112 (4) of the statutes is amended to read:

4           70.112 **(4)** SPECIAL PROPERTY AND GROSS RECEIPTS TAXES OR LICENSE FEES. All  
5 special property assessed under ss. 76.01 to 76.26 and property of any light, heat and  
6 power company taxed under s. 76.28, telephone company, ~~car line company~~, and  
7 electric cooperative association that is used and useful in the operation of the  
8 business of such company or association. If a general structure for which an  
9 exemption is sought under this section is used and useful in part in the operation of  
10 any public utility assessed under ss. 76.01 to 76.26 or of the business of any light,  
11 heat and power company taxed under s. 76.28, telephone company, ~~car line company~~  
12 or electric cooperative association and in part for nonoperating purposes of the public  
13 utility or company or association, that general structure shall be assessed for  
14 taxation under this chapter at the percentage of its full market value that fairly  
15 measures and represents the extent of its use for nonoperating purposes. Nothing  
16 provided in this subsection shall exclude any real estate or any property which is  
17 separately accounted for under s. 196.59 from special assessments for local  
18 improvements under s. 66.64.

19           **SECTION 3.** 76.39 (6) of the statutes is created to read:

20           76.39 **(6)** This section does not apply to taxable years beginning after December  
21 31, 1999.

22           **SECTION 4.** 76.46 (4) of the statutes is created to read:

23           76.46 **(4)** This section does not apply to taxable years beginning after December  
24 31, 1999.

25           **SECTION 5. Initial applicability.**

