

1999 ASSEMBLY BILL 951

March 30, 2000 – Introduced by Representative GROTHMAN. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 77.54 (26m) of the statutes; **relating to:** the sales and use tax
2 exemption for recycling equipment.

Analysis by the Legislative Reference Bureau

Under current law, the purchase of waste recycling machinery and equipment used exclusively and directly for recycling activities is exempt from the sales tax and the use tax. The court of appeals has held that certain equipment used in the collection of waste materials for recycling is not exempt from the sales tax and the use tax because such equipment is not used directly for recycling activities. See *Department of Revenue v. Parks-Pioneer Corporation*, 170 Wis. 2d 44 (Ct. App. 1992). Under this bill, certain equipment used in the collection of waste materials for recycling is exempt from the sales tax and the use tax, if such equipment is used exclusively for recycling activities, regardless of whether such equipment is used directly for recycling activities. Under the bill, the repair and maintenance of such equipment is also exempt from the sales tax and the use tax. In addition, equipment used by a recycling center or a recycling buyback center is exempt from the sales tax and the use tax, regardless of whether such centers produce an end product for resale.

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.

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

2 77.54 **(26m)** The gross receipts from the sale of and the storage, use or other
3 consumption, including the repair and maintenance, of waste reduction or recycling
4 machinery and equipment, including storage bins; balers; compactors; lugger and
5 roll-off boxes; dead-lift roll-off hoists; truck and platform scales; and accessories,
6 attachments and parts therefor, exclusively ~~and directly~~ used for waste reduction or
7 recycling activities which reduce the amount of solid waste generated, reuse solid
8 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
9 The exemption applies even though an economically useful end product results from
10 the use of the machinery and equipment. This subsection applies to machinery and
11 equipment used by a recycling center or a recycling buyback center, regardless of
12 whether the recycling center or the recycling buyback center produces an
13 economically useful end product for resale. For the purposes of this subsection, “solid
14 waste” means garbage, refuse, sludge or other materials or articles, whether these
15 materials or articles are discarded or purchased, including solid, semisolid, liquid or
16 contained gaseous materials or articles resulting from industrial, commercial,
17 mining or agricultural operations or from domestic use or from public service
18 activities.

19 **SECTION 2. Effective date.**

