

1999 DRAFTING REQUEST

Bill

Received: 08/05/1999

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Richard Grobschmidt (608) 266-7505

By/Representing: john wagnitz

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

sales tax exemption for vehicle purchased to replace stolen vehicle

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Required</u>
/?	jkreye 08/10/1999	kgeller 08/10/1999		_____		
/1			mclark 08/11/1999	_____	lrb_docadmin 08/11/1999	lrb_docadmin 08/19/1999

FE Sent For:

01-18-2000
"1"
see 01-14-2000
Request from
Sen. Rissler

<END>

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1?	jkreye	1/1 8/10 jlg	MRC 8/10	MRC/JF 8/11			

FE Sent For:

<END>

Kreye, Joseph

From: Wagnitz, John
Sent: Thursday, August 05, 1999 3:08 PM
To: Kreye, Joseph
Subject: bill draft

Dear Joseph,

We received a call from a constituent this morning. His daughter's car was stolen. Value of the vehicle was \$1,000. The car was totaled. She bought a new car for \$3,000 and now has to pay the tax on that. He feels she is the victim and should only have to pay tax on the \$2,000 above the value of her old car (similar to a trade-in).

He asked Senator Grobschmidt to introduce a bill that would allow victims of these crimes a sales tax exemption for the value of the vehicle. Could we word this in such a way as to include victims of auto accidents by careless drivers as well?

Thank you for your attention to this matter.

John Wagnitz
Office of Senator Grobschmidt

1999 **BILL**

in 8-10-99

Regen

1 AN ACT *to renumber* 77.51 (4) (b) 3. and 77.51 (15) (b) 4.; and *to create* 77.51 (4)
2 (b) 3. b. and 77.51 (15) (b) 4. b. of the statutes; **relating to:** changing the
3 definition of gross receipts to exclude insurance settlement proceeds used to
4 purchase a ~~replacement~~ motor vehicle. *to replace a stolen*

motor vehicle

Analysis by the Legislative Reference Bureau

Under current law, the state imposes a sales tax on retailers that sell goods or services in this state. The state also imposes a use tax on goods or services purchased outside of this state that are used in this state. The sales tax rate is 5% of the gross receipts from the sale of goods or services. The use tax rate is 5% of the sales price of goods or services. The consumer pays the use tax and the retailer, generally, passes the sales tax onto the consumer.

Under current law, if a person purchases an automobile to replace an automobile that has been ~~damaged in an accident~~ *stolen*, the person pays a sales or use tax based on the full purchase price of the replacement automobile.

Under this bill, if a person purchases an automobile to replace an automobile that has been ~~damaged in an accident~~, the person pays a sales tax or a use tax only on that part of the purchase price that is the difference between the full purchase

5 stolen

BILL

price of the automobile and the amount received from an insurer as a settlement related to the ~~damaged~~ ^{stolen} automobile.

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

1 **SECTION 1.** 77.51 (4) (b) 3. of the statutes is renumbered 77.51 (4) (b) 3. a.

2 **SECTION 2.** 77.51 (4) (b) 3. b. of the statutes is created to read:

3 77.51 (4) (b) 3. b. If a person purchases a motor vehicle to replace the person's

4 ~~damaged~~ ^{stolen} motor vehicle, and the person purchases the motor vehicle using proceeds

5 from a settlement with an insurer related to the person's ~~damaged~~ ^{stolen} motor vehicle, the

6 gross receipts shall be that portion of the purchase price that is the difference

7 between the full purchase price of the motor vehicle and the amount of the settlement

8 proceeds.

9 **SECTION 3.** 77.51 (15) (b) 4. of the statutes is renumbered 77.51 (15) (b) 4. a.

10 **SECTION 4.** 77.51 (15) (b) 4. b. of the statutes is created to read:

11 77.51 (15) (b) 4. b. If a person purchases a motor vehicle to replace the person's

12 ~~damaged~~ ^{stolen} motor vehicle, and the person purchases the motor vehicle using proceeds

13 from a settlement with an insurer related to the person's ~~damaged~~ ^{stolen} motor vehicle, the

14 gross receipts shall be that portion of the purchase price that is the difference

15 between the full purchase price of the motor vehicle and the amount of the settlement

16 proceeds.

17 **SECTION 5. Effective date.**

18 (1) This act takes effect on first day of the 2nd month beginning after

19 publication.

20

(END)

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 08/11/1999

To: Senator Grobschmidt

Relating to LRB drafting number: LRB-3374

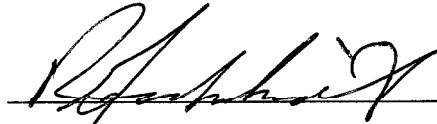
Topic

sales tax exemption for vehicle purchased to replace stolen vehicle

Subject(s)

Tax - sales

1. JACKET the draft for introduction

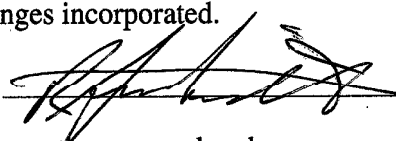


in the Senate or the Assembly (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. REDRAFT. See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain FISCAL ESTIMATE NOW, prior to introduction

 NOT Required

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

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

Barman, Mike

From: Barman, Mike
Sent: Thursday, January 13, 2000 8:48 AM
To: Uecker, Deborah
Subject: RE: SB 266

Deborah ...

Joe Kreye was the drafter of this bill. He is giving it a second look ... it may indeed need a fiscal. He is going to check into it. Give Joe a call if you have any questions (PH. 266-2263).

Thanks,

Mike Barman

Mike Barman - Senior Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703

-----Original Message-----

From: Uecker, Deborah
Sent: Wednesday, January 12, 2000 2:23 PM
To: Schneider, Debra L
Cc: Barman, Mike
Subject: RE: SB 266

According to the bill, at the end of the Analysis section written by the LRB attorney who drafted the bill, no fiscal estimate is needed because there is not a final sentence which says "For more information, ... see the **state**, or **state and local**, or **local** fiscal estimate, which will be attached as an appendix to this bill." The decision about whether a bill (or a draft) requires a fiscal estimate is made by attorneys at LRB. I would contact LRB and see if they can review this issue.

Deborah A. Uecker

Executive Policy and Budget Analyst
State Budget Office
Department of Administration
101 E. Wilson Street, 10th Floor
deborah.uecker@doa.state.wi.us
Phone: (608) 267-0371
Fax: (608) 267-0372

-----Original Message-----

From: Schneider, Debra L
Sent: Wednesday, January 12, 2000 1:35 PM
To: Uecker, Deborah
Cc: Braun, Eng
Subject: SB 266

FYI: According to the Bureau of State Tax Policy, SB 266 has to do with sales tax, and DOR has not been asked to do a fiscal estimate on it.

Barman, Mike

From: Uecker, Deborah
Sent: Thursday, January 13, 2000 10:54 AM
To: Braun, Eng; Schneider, Debra L
Cc: Barman, Mike; Burhop, Sarah
Subject: FW: Fiscal Estimate for Senate Bill 266

Everyone, I just talked to Sarah Burhop at the Senate Chief Clerk's office about the need for a fiscal estimate for SB266. The Senate Majority Leader's office should be sending me a letter through the LRB requesting that a fiscal estimate be prepared on this bill. I want to let DOR know this should be coming and about the need for the estimate to be returned in time for the hearing mentioned in the email below.

Deborah A. Uecker

Executive Policy and Budget Analyst
State Budget Office
Department of Administration
101 E. Wilson Street, 10th Floor
deborah.uecker@doa.state.wi.us
Phone: (608) 267-0371
Fax: (608) 267-0372

-----Original Message-----

From: Burhop, Sarah
Sent: Thursday, January 13, 2000 10:09 AM
To: Uecker, Deborah
Subject: Fiscal Estimate for Senate Bill 266

Good Morning Deborah ~ I need a Fiscal Estimate for Senate Bill 266, the committee on Economic Development, Housing and Government Operations is having a out of town hearing on the 21st of January in Kenosha. They need to have this Fiscal before then.

Thanks ~ Sarah

Sarah E. Burhop
Senate Chief Clerk's Office
Sarah.Burhop@legis.state.wi.us
(608)266-1803



Wisconsin Senate

January 14, 2000

Mr. Steve Miller, Director
Legislative Reference Bureau
100 N. Hamilton.
Madison, WI 53703

Steve
Dear Mr. Miller.

Pursuant to Joint Rule 41 (2) (b), I am requesting that the Legislative Reference Bureau have the Department of Administration prepare a Fiscal Estimate on Senate Bill 266, relating to changing the definition of gross receipts to exclude insurance settlement proceeds used to purchase a motor vehicle to replace a stolen motor vehicle..

Thank you for your attention to this matter.

Sincerely,


FRED A. RISSER
Senate President

copy to:

- 1) Deborah Uecker
at DOA
- 2) Donna at SCC
- 3) Joe Kreye at LRB
- 4) Sen. Grobschmidt
- 5) IG LRB