

1999 DRAFTING REQUEST

Bill

Received: 09/28/1999

Received By: jkreye

Wanted: Soon

Identical to LRB: 99-3537/3

For: Roger Breske (608) 266-2509

By/Representing: vaughn

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 and use tax exemption on tangible personal property used in farming

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 09/28/1999	kgeller 09/29/1999		_____			S&L Tax
/1			martykr 09/29/1999	_____	lrb_docadmin 09/29/1999	lrb_docadmin 10/01/1999	

FE Sent For:

11/11
2/16/00

<END>

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1?	jkreye	1 9/29 jlg	1 9/29	1 9/29			

FE Sent For:

<END>

Kreye, Joseph

From: Vance, Vaughn
Sent: Tuesday, September 28, 1999 4:18 PM
To: Kreye, Joseph
Cc: Rep.Seratti
Subject: LRB-3537/3

Joseph:

Roger is requesting that you draft a Senate companion bill to LRB-3537/3 related to a sales tax and use tax exemption on tangible personal property used in the business of farming. This request is being made with the consent of Representative Seratti who has drafted the initial Assembly bill.

Thank you for your assistance with this matter. As always, please let me know if you have any questions or concerns related to this request.

VAUGHN L. VANCE for
Senator Roger Breske

JK
stays

1999 BILL

SOON
in 9-28-99

Regen

1 AN ACT *to repeal* 77.54 (3) (b) 1., 77.54 (3) (b) 2., 77.54 (3) (c), 77.54 (3m), 77.54
2 (27), 77.54 (30) (a) 3. and 5., 77.54 (33) and 77.54 (34); *to amend* 77.54 (3) (a);
3 and *to create* 77.54 (3) (b) 2m. of the statutes; **relating to:** a sales tax and use
4 tax exemption on tangible personal property used in the business of farming.

Analysis by the Legislative Reference Bureau

Under current law, tractors and other machines that are used for farming are exempt from the sales tax and the use tax. Under current law, a machine that is used for farming is, generally, not exempt from the sales tax and the use tax if the machine is attached to or becomes part of real property, regardless of the extent to which the machine is used in the business of farming.

Under this bill, tangible personal property that is used for farming is exempt from the sales tax and the use tax, regardless of whether the tangible personal property is attached to or becomes part of real property. Under the bill, tangible personal property that is consumed or loses its identity in the business of farming is also exempt from the sales tax and the use 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.

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.** 77.54 (3) (a) of the statutes is amended to read:

2 77.54 (3) (a) The gross receipts from the sales of and the storage, use or other
3 consumption of ~~tractors and machines, including accessories, attachments and parts~~
4 ~~therefor, tangible personal property that is~~ used exclusively and directly in the
5 business of farming, including dairy farming, agriculture, horticulture, floriculture
6 and custom farming services, but excluding automobiles, trucks, and other motor
7 vehicles for highway use; ~~excluding personal property that is attached to, fastened~~
8 ~~to, connected to or built into real property or that becomes an addition to, component~~
9 ~~of or capital improvement of real property~~ and excluding tangible personal property
10 used or consumed in the erection of buildings or in the alteration, repair or
11 improvement of real property, ~~regardless of any contribution that that personal~~
12 ~~property makes to the production process in that building or real property and~~
13 ~~regardless of the extent to which that personal property functions as a machine.~~

14 **SECTION 2.** 77.54 (3) (b) 1. of the statutes is repealed.

15 **SECTION 3.** 77.54 (3) (b) 2. of the statutes is repealed.

16 **SECTION 4.** 77.54 (3) (b) 2m. of the statutes is created to read:

17 77.54 (3) (b) 2m. Notwithstanding s. 77.51 (20), “tangible personal property”
18 includes tangible personal property that is fastened to, connected to or built into real
19 property and tangible personal property that is consumed or loses its identity in the
20 business of farming.

21 **SECTION 5.** 77.54 (3) (c) of the statutes is repealed.

**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: 09/29/1999

To: Senator Breske

Relating to LRB drafting number: LRB-3676

Topic

sales tax and use tax exemption on tangible personal property used in farming

Subject(s)

Tax - sales

1. **JACKET** the draft for introduction Roger Breske (U)
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 _____.

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