

1999 SENATE BILL 460

March 8, 2000 – Introduced by Senators LAZICH, FARROW and HUELSMAN, cosponsored by Representatives JENSEN and DUFF. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT** *to amend* 77.54 (5) (c) and 77.54 (26m); and *to create* 77.51 (12m) of the
2 statutes; **relating to:** the sales tax and use tax exemptions for motor vehicles
3 used for recycling activities and for equipment used to collect and transport
4 waste for recycling activities.

Analysis by the Legislative Reference Bureau

Under current law, a motor vehicle that is not required to be licensed for highway use and that is used for waste reduction or recycling activities is exempt from the sales tax and the use tax. Under this bill, a motor vehicle that is used for waste reduction or recycling activities is exempt from the sales tax and the use tax, regardless of whether or not the motor vehicle is required to be licensed for highway use.

Under current law, waste recycling machinery and equipment that is used for recycling is exempt from the sales tax and the use tax. The court of appeals has held that equipment that is used in the collection of waste materials is not exempt from the sales tax and the use tax. See *Department of Revenue v. Parks-Pioneer Corporation*, 170 Wis.2d 44 (Ct. App. 1992). Under the bill, machinery and equipment that is used for waste collection and transportation related to recycling activities is 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.

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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.** 77.51 (12m) of the statutes is created to read:

2 77.51 **(12m)** “Recycler” means a person engaged in recycling activities,
3 including activities that are classified under industry numbers 421930 and 562920
4 of the North American Industry Classification System Manual, 1997 edition,
5 published by the U.S. office of management and budget.

6 **SECTION 2.** 77.54 (5) (c) of the statutes is amended to read:

7 77.54 **(5)** (c) Motor vehicles ~~which are not required to be licensed for highway~~
8 ~~use and which~~ that are used by a recycler and that are exclusively and directly used
9 in conjunction with waste reduction or recycling activities, including waste collection
10 and transportation, which reduce the amount of solid waste generated, reuse solid
11 waste, recycle solid waste, compost solid waste or recover energy from solid waste.
12 For the purposes of this paragraph, “solid waste” means garbage, refuse, sludge or
13 other materials or articles, whether these materials or articles are discarded or
14 purchased, including solid, semisolid, liquid or contained gaseous materials or
15 articles resulting from industrial, commercial, mining or agricultural operations or
16 from domestic use or from public service activities.

17 **SECTION 3.** 77.54 (26m) of the statutes is amended to read:

18 77.54 **(26m)** The gross receipts from the sale of and the storage, use or other
19 consumption of waste reduction or recycling machinery and equipment, including
20 parts therefor, used by a recycler and exclusively and directly used for waste
21 collection and transportation, waste reduction or waste recycling activities which

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1 reduce the amount of solid waste generated, reuse solid waste, recycle solid waste,
2 compost solid waste or recover energy from solid waste. The exemption applies even
3 though an economically useful end product results from the use of the machinery and
4 equipment. For the purposes of this subsection, “solid waste” means garbage, refuse,
5 sludge or other materials or articles, whether these materials or articles are
6 discarded or purchased, including solid, semisolid, liquid or contained gaseous
7 materials or articles resulting from industrial, commercial, mining or agricultural
8 operations or from domestic use or from public service activities.

9 **SECTION 4. Effective date.**

10 (1) This act takes effect on first day of the 2nd month beginning after
11 publication.

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(END)