

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/13/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Holden**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - corp. inc. and fran.**

Extra Copies:

**Topic:**

DOA:.....Holden - Creating an additional activity that does not create nexus for taxation purposes.

**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 01/13/99	jgeller 01/13/99		_____			S&L
/1			ismith 01/14/99	_____	lrb_docadmin 01/14/99		

FE Sent For:

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/?	jkreye	1/13 jlg	IS 1/14/99	IS/LP 1/14/99			

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STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

**Date:** January 13, 1999

**Priority:** High

**To:** Steve Miller  
Legislative Reference Bureau

**From:** Kerry Holden, SBO, 6-8593 *KH*

**Subject:** Draft for Governor's 1999-2001 Budget Bill - Activities that do not Create Nexus

Please draft the following for inclusion in the Governor's 1999-2001 budget bill. This change to statutory language will create an additional activity that does not create nexus with the State of Wisconsin for the purposes of corporate franchise and income tax.

Please create s. 71.23 (3)(d) so that it provides: "the storage for any length of time in this state in or on property owned by a person other than the foreign corporation of its tangible personal property and the transfer of possession to another person in this state when the tangible personal property is for fabricating, processing, manufacturing, or printing by that other person in this state."

Please call me with any questions. Thank you.



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-17497

JK: A:...

jlg

SOON

DOA:.....Holden – Creating an additional activity that does not create nexus for taxation purposes.

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

do not gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

TAXATION ✓

INCOME TAXATION ✓

Under current law, the state imposes an income or franchise tax on a foreign corporation doing business in this state. However, a foreign corporation may engage in certain business-related activities in this state without becoming subject to the state income or franchise tax.

This bill allows a foreign corporation to store its tangible personal property in this state and transfer possession of its tangible personal property to a person in this state, without becoming subject to the state income or franchise tax, if the other person uses the personal property for fabricating, processing, manufacturing or printing.

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:*





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1749/1

JK:jlj:ijs

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FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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*Analysis by the Legislative Reference Bureau*

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