

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-AB133)**

Received: 06/1/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau 6-9916

By/Representing: Olin

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - property

Extra Copies:

**Pre Topic:**

LFB:.....Olin -

**Topic:**

Extend property tax exemption on computers to ad valorem taxpayers, effective with January 1, 2000, assessments; eliminate exemption for fax, copiers, cash registers

**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 06/2/99	ygeller 06/2/99		_____			
/1	jkreye 06/8/99	ygeller 06/8/99	martykr 06/3/99	_____	lrb_docadmin 06/3/99		
/2			ismith 06/8/99	_____	lrb_docadmin 06/8/99		

FE Sent For:

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		IS 6/8/99		IS/KM 6/8/99			

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<END>

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1?	jkreye	1 1/2 jlg	1 m 1/2	1 j 1/2 1 m 1/2			

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<END>

## ALTERNATIVES TO BASE

### A. Property Tax Exemption (Chapter 70)

1. Approve the Governor's recommendation to provide a property tax exemption for fax machines, copiers, cash registers and automatic teller machines, effective with property assessed as of January 1 of the year following enactment of the bill. Reestimate reduced state forestry tax revenues to be deposited in the conservation fund at \$106,800 in 2000-01. Decrease estimated computer aid payments by \$750,000 GPR in 2000-01 to reflect the inclusion of ATMs under this exemption, which would not be aided, as opposed to including ATMs under the computer exemption, which is aided.

<u>Alternative A1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Base)	\$0	-\$106,800	-\$106,800
[Change to Bill]	\$0	-\$6,800	-\$6,800]
1999-01 FUNDING (Change to Base)	\$0	\$0	\$0
[Change to Bill]	-\$750,000	\$0	-\$750,000]

2. Provide a property tax exemption for fax machines, copiers and cash registers, other than networked cash registers, effective with property assessed as of January 1 of the year following enactment of the bill. Reestimate reduced state forestry tax revenues to be deposited in the conservation fund at \$106,800 in 2000-01. Under this alternative, ATMs would remain exempt under the computer exemption, so there would be no impact on computer aid payments.

<u>Alternative A2</u>	<u>SEG</u>
1999-01 REVENUE (Change to Base)	-\$106,800
[Change to Bill]	-\$6,800]

3. Maintain current law.

<u>Alternative A3</u>	<u>SEG</u>
1999-01 REVENUE (Change to Base)	\$0
[Change to Bill]	\$100,000]

### B. Utility Tax Exemptions (Chapters 66 and 76)

1. Approve the Governor's recommendation to extend the computer exemption to all companies subject to state-imposed ad valorem taxes. Specify that the extension of the computer exemption to these companies takes effect retroactively to January 1, 1999. However, reestimate the reduction in utility tax revenues from these provisions as follows to reflect the installment payment schedule for these taxes: (a) \$75,000 GPR in 1999-00 and \$50,000 GPR in 2000-01; and (b) \$90,000 SEG in 1999-00 and \$60,000 SEG in 2000-01. The revised estimates of reductions in tax

collections are larger than the estimates in the bill by \$50,000 GPR and \$60,000 SEG in 1999-00.

<u>Alternative B1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Base)	- \$125,000	- 150,000	- \$275,000
[Change to Bill]	- \$50,000	- \$60,000	- \$110,000]

2. Modify the Governor's recommendation to extend the computer exemption to all companies subject to state-imposed ad valorem taxes by specifying that the extension of this exemption to these companies would take effect with property assessed as of January 1, 2000. Compared to current law, estimated utility tax collections would be reduced as follows: (a) \$25,000 GPR in 1999-00 and \$50,000 GPR in 2000-01; and (b) \$30,000 SEG in 1999-00 and \$60,000 SEG in 2000-01. These amounts are the same as the estimates used in the bill.

<u>Alternative B2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Base)	- \$75,000	- \$90,000	- \$165,000
[Change to Bill]	\$0	\$0	\$0]

3. Approve the Governor's recommendation to provide an exemption for fax machines, copiers and cash registers (and automatic teller machines if Alternative A1 is adopted) to the property of air carrier, conservation and regulation, municipal electric, pipeline and railroad companies subject to state-imposed ad valorem taxes. Specify that the extension of this exemption to these companies takes effect with property assessed as of January 1, 2000. Reduce estimated utility tax collections as follows: (a) \$50,000 GPR in 1999-00 and \$100,000 GPR in 2000-01; and (b) \$50,000 SEG in 1999-00 and \$100,000 SEG in 2000-01.

<u>Alternative B3</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Base)	- \$150,000	- \$150,000	- \$300,000
[Change to Bill]	\$0	\$0	\$0]

4. Maintain current law. [This would increase estimated ad valorem utility tax ctions, compared to the bill, as follows: (a) \$75,000 GPR in 1999-00 and \$150,000 GPR in 2001; and (b) \$80,000 SEG in 1999-00 and \$160,000 SEG in 2000-01.]

<u>Alternative B4</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Base)	\$0	\$0	\$0
[Change to Bill]	\$225,000	\$240,000	\$465,000]

6-1-99

6-9916 Rick Olin

1.) maintain current law on <sup>equipment</sup> computer exemptions

↳ yank

2.) extend <sup>current</sup> computer exemption to ad valorem with January 1, 2000

3.) yank ch. 76 - "computerized" language

→ one draft

p 827 l 14 to 16 delete (computerized <sup>70.11(40)</sup> equipment)

p. 906 l 2 delete <sup>40</sup> material beginning with "(5)" and ending with "(40)" or line 3 and substitute "(5)".

p 907 l 5 delete the material beginning with "and" and ending with "(40)" or line 6.

do plus search in budget of 70.11(39) & (40)  
(+ affected revisions of ch. 76)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0479??

JK:.....

jlq

WFO-Fix  
request sheet

LFB:.....Olin - extend property tax exemption on computers to ad valorem taxpayers, effective with January 1, 2000, assessments; eliminate exemption for fax, copiers, cash registers.

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

SOON  
in 6-2-99

1 At the locations indicated, amend the bill as follows:

2 1. Page 827, line 14: delete lines 14 to 16. ✓

Fix  
Component

3 2. Page 906, line 2: delete the material beginning with "~~the~~" and ending with

, computerized

4 "(40)" on line 3 and substitute: "the"

that line

5 3. Page ~~907~~, line ~~7~~: delete the material beginning with "~~the~~" and ending with

~~line 8.~~

906

page 907,

6 4. Page 1462, line 3: after that line insert:

7 init. app (23) AD VALOREM TAXPAYERS, COMPUTER EXEMPTIONS. The treatment of sections

8 76.025 (1), 76.03 (1) and 76.81 of the statutes first applies to the property tax

9 assessment as of January 1, 2000." ✓

10







State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0479/1  
JK:jl:km

LFB:.....Olin - Extend property tax exemption on computers to ad valorem taxpayers, effective with January 1, 2000, assessments; eliminate exemption for fax, copiers, cash registers

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

SOON

in 6-8-99

1 At the locations indicated, amend the bill as follows:

2 1. Page 827, line 14: delete lines 14 to 16.

3 2. Page 906, line 2: delete the material beginning with "computerized" and  
4 ending with "(40)" on line 3.

5 3. Page 906, line 24: delete the material beginning with that line and ending  
6 with page 907, line 9.

7 4. Page 1462, line 3: after that line insert:

8 "(23c) AD VALOREM TAXPAYERS, COMPUTER EXEMPTIONS. The treatment of sections

9 76.025 (1), 76.03 (1) ~~and 76.03~~ <sup>and</sup> of the statutes first applies to the property tax

10 assessments as of January 1, 2000."





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0479/2  
JK:jlj:ijs

LFB:.....Olin – Extend property tax exemption on computers to ad valorem taxpayers, effective with January 1, 2000, assessments; eliminate exemption for fax, copiers, cash registers

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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1 At the locations indicated, amend the bill as follows:

2 1. Page 827, line 14: delete lines 14 to 16.

3 2. Page 906, line 2: delete the material beginning with “computerized” and  
4 ending with “(40)” on line 3.

5 3. Page 906, line 24: delete the material beginning with that line and ending  
6 with page 907, line 9.

7 4. Page 1462, line 3: after that line insert:

8 “(23c) AD VALOREM TAXPAYERS, COMPUTER EXEMPTIONS. The treatment of sections  
9 76.025 (1) and 76.03 (1) of the statutes first applies to the property tax assessments  
10 as of January 1, 2000.”

