

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/23/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Kratochwill**

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

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - sales**

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (2),

Topic:

Sales tax exemption for food provided to restaurant employes at work

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 06/24/99	chanaman 06/24/99		_____			
/1	jkreye 06/25/99	ygeller 06/25/99	mclark 06/24/99	_____	ismith 06/24/99		
/2	jkreye 06/26/99	chanaman 06/26/99	jfrantze 06/25/99 jfrantze 06/26/99	_____ _____ _____	lrb_docadmin 06/26/99 lrb_docadmin 06/26/99		

FE Sent For:

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/23/99**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Assembly Republican Caucus**

By/Representing: **Kratochwill**

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

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - sales**

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (2),

Topic:

Sales tax exemption for food provided to restaurant employes at work

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 06/24/99	chanaman 06/24/99		_____			
/1	jkreye 06/25/99	ygeller 06/25/99	mclark 06/24/99	_____	ismith 06/24/99		
/2		<i>CMH</i> 6/24	jfrantze 06/25/99	_____	lrb_docadmin 06/26/99		
FE Sent For:		<i>12</i>	<i>8/6/26</i>	<i>J/KSL</i> <i>6/26</i> <END>			

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (2),

Topic:

Sales tax exemption for food provided to restaurant employes at work

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 06/24/99	chanaman 06/24/99		_____			
/1		1/2 6/25 jg	mclark 06/24/99	_____	ismith 06/24/99		
FE Sent For:			6/25	6/25			

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - TP (2),

Topic:

Sales tax exemption for food provided to restaurant employees at work

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>
1?	jkreye	cmr 6/24 1	mrc 6/24	MRC/DS 6/24			

FE Sent For:

<END>

Jensen

Representative Jensen

TAX AND SPENDING MODIFICATIONS

General Fund Taxes

1154

1. *Single-Sales Apportionment for Gas and Electric Utilities.* Provide that electric and gas utilities be included in the phase-in of the single-sales factor apportionment formula for tax years beginning on or after January 1, 2001. This provision would reduce state corporate income and franchise tax revenues by an estimated \$100,000 in 2000-01. When single-sales factor apportionment is fully phased in, revenues would be reduced by an estimated \$800,000, annually

Under the Joint Finance Committee version of the bill, a single-sales factor apportionment formula under the state corporate income and franchise tax would be phased in over three years beginning with tax year 2001. For tax years beginning on or after January 1, 2001 and before January 1, 2002, the sales factor would equal 63% of the apportionment fraction and the property and payroll factors would each equal 18.5% of the fraction. For tax years beginning on or after January 1, 2002 and before January 1, 2003, the sales factor would equal 85% of the apportionment fraction and the property and payroll factors would each be 7.5% of the fraction. For tax years beginning on or after January 1, 2003, the apportionment fraction would be the sales factor. However, the current law formulas were maintained for apportioning the income of interstate public utilities (including electric and gas utilities), air carriers, motor carriers, railroad and sleeping car and carline companies and pipeline companies.

1156

2. *Sales and Use Tax Exemption for Food and Related Items Provided to Restaurant Employees at Work.* Provide a sales and use tax exemption for certain food and related items provided by restaurants to employees at work. Under current law, a restaurant owner is liable for the sales tax on: (a) food and beverages that are excluded from the general sales tax exemption for food when they are provided to restaurant employees at no charge at work; and (b) disposable products transferred with free food and beverages (napkins, straws and cups). However, a restaurant's purchases of the same items are exempt from the sales tax when they are to be resold to customers. The Department of Revenue (DOR) requires that restaurants determine the value of such items and remit the associated sales tax. Because the current provision is difficult to enforce, it is estimated that the exemption would have a minimal fiscal impact on sales tax collections.

1157

3. *Time-Share Properties.* Exempt sales of flex-time time-share property, including maintenance charges, from the sales tax and impose the real estate transfer fee on all sales of time-share property, effective on the first day of the second month beginning after publication of the bill. Under current law, sales of flex-time time-shares are subject to the sales tax and sales of fixed-time time-shares are subject to the real estate transfer fee. These provisions would specify that all sales



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb11567

JK:.....

cmj

ARC:.....Kratochwill - TP (2), Sales tax exemption for food provided to restaurant employees at work

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SOON

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 953, line 21: after that line insert:

3 "SECTION 1812Lb. 77.51 (14) (f) of the statutes is amended to read:

4 77.51 (14) (f) The furnishing, preparing or serving for consideration of food,

5 meals, confections or drinks and the furnishing, preparing or serving without

6 consideration of food, meals, confections or drinks to an employe. This paragraph

7 applies to disposable products that are transferred to a customer or an employe with

8 the food, meals, confections or drinks.

9

(END)

plan period

score



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1156/1
JK:cmh:mrc

in 6-25-99

ARC:.....Kratochwill - TP (2), Sales tax exemption for food provided to restaurant employes at work

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SOON

77.54(20)(c) 4M. ✓

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 953, line 21: after that line insert:

3 "SECTION 1812Lb. ~~77.51(14)(b)~~ of the statutes is ~~amended~~ *created* to read:

4 *77.51(14)(f)* The furnishing, preparing or serving for consideration of food,
5 meals, confections or drinks and the furnishing, preparing or serving without
6 consideration of food, meals, confections or drinks to an employe. This paragraph
7 applies to disposable products that are transferred to a customer or an employe with
8 the food, meals, confections or drinks."

9

(END)

Fix component 2 3

Insert 1-3

INSERT 1-3

77.54(20)(c) 4m. Taxable sales⁵ do not include food and beverage items under pars. (b) 4. and (c) 2., and disposable products that are transferred with such items, that are provided to the taxpayer (i) employe. =.

Page 1614, line 5; after that line insert:
eff date "(7fg) TAXABLE SALES. (5) The treatment of section 77.54(20)(c) 4m. of the statutes takes effect on the first day of the 2nd month beginning after publication. =.

(end ins)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1156/2
JK:cmh:mrc

6-26-99

JLB

ARC:.....Kratowill - TP (2), Sales tax exemption for food provided to restaurant employees at work

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

SOON

a
by restaurant
restaurants

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 953, line 21: after that line insert:

3 "SECTION 1812Lb. 77.54 (20) (c) 4m. of the statutes is created to read:

4 77.54 (20) (c) 4m. Taxable sales do not include food and beverage items under
5 pars. (b) 4. and (c) 2., and disposable products that are transferred with such items,

6 that are provided to the ~~employee~~ employee." during the employee's work
hours

7 2. Page 1614, line 5: after that line insert:

8 "(7fg) TAXABLE SALES. The treatment of section 77.54 (20) (c) 4m. of the statutes
9 takes effect on the first day of the 2nd month beginning after publication."

10

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1156/2
JK:cmhjljg:jf

ARC:.....Kratochwill - TP (2), Sales tax exemption for food provided to
restaurant employes at work

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 953, line 21: after that line insert:

3 “**SECTION 1812Lb.** 77.54 (20) (c) 4m. of the statutes is created to read:

4 77.54 (20) (c) 4m. Taxable sales do not include food and beverage items under
5 pars. (b) 4. and (c) 2., and disposable products that are transferred with such items,
6 that are provided by a restaurant to the restaurant’s employe during the employe’s
7 work hours.”

8 **2.** Page 1614, line 5: after that line insert:

