

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: 10/01/1999

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Shanovich

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - corp. inc. and fran.

Extra Copies:

**Pre Topic:**

LFB:.....Shanovich -

**Topic:**

Delete single sales factor apportionment but retain sourcing of services

**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 10/01/1999	jgeller 10/01/1999		_____			
/1	jkreye 10/04/1999	jgeller 10/04/1999	mclark 10/01/1999	_____	lrb_docadmin 10/01/1999		
/2			hhagen 10/04/1999	_____	lrb_docadmin 10/04/1999		

FE Sent For:

<END>

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/?	jkreye 10/01/1999	ygeller 10/01/1999		_____			
/1		1/2 10/4 jig	mclark 10/01/1999	_____	lrb_docadmin 10/01/1999		

FE Sent For:

<END>

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1?	jkreye	11/10/1 jlg	MRC 10/1	MRC/KM 10/17			

FE Sent For:

<END>

WFO -  
Fix request  
sheet

1999 - 2000 LEGISLATURE

LRBb18977

TODAY

VK  
JG

LFB:.....Shanovich - delete single sales factor apportionment but retain sourcing of services

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

**ASSEMBLY AMENDMENT ,**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

in 10-1-99

1

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

2

(END)



H189711  
LRBb12672  
JK:king/ash

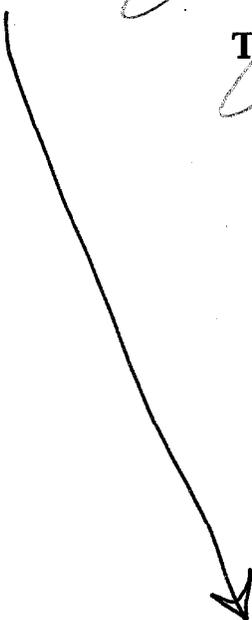
SDC:.....Walter - CN#2811, Delete single sales factor

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 812, line 3: delete lines 3 to 16.

3 2. Page 822, line 6: delete lines 6 to 11.

4 3. Page 823, line 21: delete the material beginning with that line and ending

5 with page 824, line 17.

6 4. Page 825, line 15: delete the material beginning with that line and ending

7 with page ~~826~~<sup>829</sup>, line ~~8~~<sup>15</sup>.

✓  
INSERT  
1-7

8 5. Page 849, line 3: delete lines 3 to 7.

9 6. Page 850, line 17: delete lines 17 to 22

10 7. Page 853, line 14: delete lines 14 to 18.

INSERT  
2-5 ✓

1 **8.** Page 853, line 23: delete the material beginning with that line and ending  
2 with page 854, line 7.

3 **9.** Page 854, line 12: delete lines 12 to 17.

4 **10.** Page 873, line 22: delete the material beginning with that line and ending  
5 with page ~~888~~<sup>877</sup>, line ~~14~~<sup>22</sup>.

6 **11.** Page 913, line 3: delete the material beginning with that line and ending  
7 with page 914, line 4.

8 **12.** Page 938, line 24: delete the material beginning with that line and ending  
9 with page 941, line 10.

10 **13.** Page 943, line 18: delete the material beginning with that line and ending  
11 with page 944, line 19.

12 **14.** Page 945, line 20: delete the material beginning with that line and ending  
13 with page 946, line 3.

14 **15.** Page 1599, line 22: delete "(11)" and substitute "(1r)".

15 **16.** Page 1614, line 6: delete lines 6 to 14.

16 ~~(END)~~

# Page 1599, line 20: after that line insert:

init  
app "(22fd) TAXABLE SERVICES,<sup>(6)</sup> the treatment of sections 71.04  
(7)(dn), 71.25(9)(dn) of the statutes first applies to  
and  
taxable years beginning on January 1, 2000. = ✓

ARC:.....Kratochwill - TP (7), Services rendered from out of state to use cost-of-performance standard

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

INSERT  
1-7

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

2 1. Page 829, line 19: after "of the service" insert ", except as provided in subd.

3 4". ✓

4 2. Page 830, line 14: after that line insert:

5 "4. If the benefit of a service is received in this state, as provided under this  
6 subsection, and the service is performed in a state that does not attribute the receipts  
7 from a service to the state in which the purchaser of the service receives the service,  
8 the taxpayer may elect, by a method prescribed by the department, to attribute the  
9 receipts from the service to this state in proportion to the direct cost of performing  
10 such service."

# Page 830, line 15; delete the material beginning with that line and ending with page 833, line 8.  
(end insert 1-7)

1           **3.** Page 878, line 1: after "of the service" insert ", except as provided in subd.  
2           4".

3           **4.** Page 878, line 21: after that line insert:

4           "4. If the benefit of a service is received in this state, as provided under this  
5           subsection, and the service is performed in a state that does not attribute the receipts  
6           from a service to the state in which the purchaser of the service receives the service,  
7           the taxpayer may elect, by a method prescribed by the department, to attribute the  
8           receipts from the service to this state in proportion to the direct cost of performing  
9           such service."

10

~~(2-5)~~  
# Page 878, line 22: delete the material beginning  
with that line and ending with page 888, line 14.  
(end insert 2-5)

INSERT  
2-5



**Legislative Fiscal Bureau**

One East Main, Suite 301 - Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 10/4/99

DELIVER TO: Joe Kreye

Addressee Fax #: 264-8522 Addressee Phone #: \_\_\_\_\_

# of Pages, Including Cover: 8 Sender's Initials: \_\_\_\_\_

From: Ron Shanovich

Message:

~~21863~~  
~~21861~~

MON 09:34 FAX 608 268 5718

DOR. SECY'S OFC

LEG FTSC BUR

002

ANALYSIS OF LEGISLATION BY IS&E DIVISION

To: Sherrie Gatas-Hendrix  
From: Clay Seth

Date Sent: 9/30/99

Due Date: 10/4/99

Assigned to Carol Held Date 9/30/99

**IMPORTANT: COMPLETE CLEARLY AND LEGIBLY SO OTHERS CAN READ AND UNDERSTAND YOUR COMMENTS. USE BACKSIDE IF NECESSARY.**

Bill # LRB 1861/1: Amendment to Budget Bill

Type Taxes Affected:

- |  |  |   |
|--|--|---|
| a) <input type="checkbox"/> Income                     | e) <input type="checkbox"/> Homestead Credit | i) <input type="checkbox"/> Beer                |
| b) <input checked="" type="checkbox"/> Corp. Franchise | f) <input type="checkbox"/> Farmland Credit  | j) <input type="checkbox"/> Intoxicating Liquor |
| c) <input type="checkbox"/> Sales/Use                  | g) <input type="checkbox"/> Estate           | k) <input type="checkbox"/> Fuel                |
| d) <input type="checkbox"/> Withholding                | h) <input type="checkbox"/> Cigarettes       | l) <input type="checkbox"/> Other               |

Description of Bill: (BRIEFLY describe the subject matter of the bill and the change.)

*This amendment provides an option for the remission of income from services to prevent certain transactions from being subject to double taxation.*

Any statutory language problems:  Yes  No

(If yes, describe problems and indicate suggested corrective language. Example of problem: The bill language is unclear, does not fully accomplish the desired result, or has undesirable side effects)

*Similar changes are needed to sec. 71.25 (9) (d) on pages 877 and 878 so that the amendment will apply to corporations*

Any effective date problems (including transitional problems):

Yes  No If yes, describe problem and suggested effective date or transitional language needed.)

Prepared by: Carol Held 9/30/99  
 Name Date  
 Reviewed by: Clay Seth 9/30/99  
 Div. Administration Date

09 MON 09:34 FAX 608 268 5718

DOR SECY'S OFC

LEG FISC BUR

003



State of Wisconsin  
1999 - 2000 LEGISLATURE

*Handwritten: HANDEL TECH - SECURITY - 10*

LREb1861/1

JK:cmh:jf

**ASSEMBLY 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 829, line 19: after "of the service" insert ", except as provided in subd.

3 4".

4 2. Page 890, line 14: after that line insert:

5 "4. If the benefit of a service is received in this state, as provided under this  
6 subsection, and the ~~taxpayer submits evidence to the department that a portion of the~~

7 ~~benefit of the service is received in another state, the taxpayer may elect,~~

8 ~~to determine the portion of the benefit received in this state.~~ the taxpayer may elect,  
9 by a method prescribed by the department, to attribute the receipts from the service

10 to this state in proportion to the direct cost of performing such ~~service in this state~~

1999 - 2000 Legislature

- 2 -

LRBb1861/1  
JK:cmh:jf

1

~~as compared to the total amount of services performed in the state~~

2

~~jurisdiction to tax such services."~~

3

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1897/1

JK:jlg:mrc

LFB:.....Shanovich – Delete single sales factor apportionment but retain sourcing of services

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**ASSEMBLY AMENDMENT ,**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

*in 10-4-99*

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

2 **1.** Page 812, line 3: delete lines 3 to 16.

3 **2.** Page 822, line 6: delete lines 6 to 11.

4 **3.** Page 823, line 21: delete the material beginning with that line and ending  
5 with page 824, line 17.

6 **4.** Page 825, line 15: delete the material beginning with that line and ending  
7 with page 829, line 15.

8 **5.** Page 829, line 19: after “of the service” insert “, except as provided in subd.  
9 4”.

*taxpayer submits evidence to the department that another state that has jurisdiction to tax the service attributes the receipts from the service to that state to determine the income that is taxable by that state*

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**6.** Page 830, line 14: after that line insert:

"4. If the benefit of a service is received in this state, as provided under this subsection, and the ~~service is performed in a state that does not attribute the receipts from a service to the state in which the purchaser of the service receives the service,~~ the taxpayer may elect, by a method prescribed by the department, to attribute the receipts from the service to this state in proportion to the direct cost of performing such service."

*in this state as compared to the total direct cost of performing the service in all states that have jurisdiction to tax such service*

**7.** Page 830, line 15: delete the material beginning with that line and ending with page 833, line 8.

**8.** Page 849, line 3: delete lines 3 to 7.

**9.** Page 850, line 17: delete lines 17 to 22

**10.** Page 853, line 14: delete lines 14 to 18.

**11.** Page 853, line 23: delete the material beginning with that line and ending with page 854, line 7.

**12.** Page 854, line 12: delete lines 12 to 17.

**13.** Page 873, line 22: delete the material beginning with that line and ending with page 877, line 22.

**14.** Page 878, line 1: after "of the service" insert ", except as provided in subd.

*taxpayer submits evidence to the department that another state that has jurisdiction to tax the service attributes the receipts from the service to that state to determine the*

**15.** Page 878, line 21: after that line insert:

"4. If the benefit of a service is received in this state, as provided under this subsection, and the ~~service is performed in a state that does not attribute the receipts~~

~~from a service to the state in which the purchaser of the service receives the service,~~

1 the taxpayer may elect, by a method prescribed by the department, to attribute the  
2 receipts from the service to this state in proportion to the direct cost of performing  
3 such service.” *in this state as compared to the total direct cost*

4 **16.** Page 878, line 22: delete the material beginning with that line and ending  
5 with page 888, line 14.

6 **17.** Page 913, line 3: delete the material beginning with that line and ending  
7 with page 914, line 4.

8 **18.** Page 938, line 24: delete the material beginning with that line and ending  
9 with page 941, line 10.

10 **19.** Page 943, line 18: delete the material beginning with that line and ending  
11 with page 944, line 19.

12 **20.** Page 945, line 20: delete the material beginning with that line and ending  
13 with page 946, line 3.

14 **21.** Page 1599, line 20: after that line insert:  
15 “(22fd) TAXABLE SERVICES. The treatment of sections 71.04 (7) (dr) and 71.25 (9)  
16 (dr) of the statutes first applies to taxable years beginning on January 1, 2000.”

17 **22.** Page 1614, line 6: delete lines 6 to 14.

18

(END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1897/2  
JK;jlg:hmh

LFB:.....Shanovich – Delete single sales factor apportionment but retain sourcing of services

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**ASSEMBLY 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 812, line 3: delete lines 3 to 16.
- 3 **2.** Page 822, line 6: delete lines 6 to 11.
- 4 **3.** Page 823, line 21: delete the material beginning with that line and ending
- 5 with page 824, line 17.
- 6 **4.** Page 825, line 15: delete the material beginning with that line and ending
- 7 with page 829, line 15.
- 8 **5.** Page 829, line 19: after “of the service” insert “, except as provided in subd.
- 9 4”.

- 1           **6.** Page 830, line 14: after that line insert:
- 2           “4. If the benefit of a service is received in this state, as provided under this
- 3 subsection, and the taxpayer submits evidence to the department that another state
- 4 that has jurisdiction to tax the service attributes the receipts from the service to that
- 5 state to determine the income that is taxable by that state, the taxpayer may elect,
- 6 by a method prescribed by the department, to attribute the receipts from the service
- 7 to this state in proportion to the direct cost of performing such service in this state
- 8 as compared to the total direct cost of performing the service in all states that have
- 9 jurisdiction to tax such service.”.
- 10           **7.** Page 830, line 15: delete the material beginning with that line and ending
- 11 with page 833, line 8.
- 12           **8.** Page 849, line 3: delete lines 3 to 7.
- 13           **9.** Page 850, line 17: delete lines 17 to 22
- 14           **10.** Page 853, line 14: delete lines 14 to 18.
- 15           **11.** Page 853, line 23: delete the material beginning with that line and ending
- 16 with page 854, line 7.
- 17           **12.** Page 854, line 12: delete lines 12 to 17.
- 18           **13.** Page 873, line 22: delete the material beginning with that line and ending
- 19 with page 877, line 22.
- 20           **14.** Page 878, line 1: after “of the service” insert “, except as provided in subd.
- 21 4”.
- 22           **15.** Page 878, line 21: after that line insert:

1           “4. If the benefit of a service is received in this state, as provided under this  
2 subsection, and the taxpayer submits evidence to the department that another state  
3 that has jurisdiction to tax the service attributes the receipts from the service to that  
4 state to determine the income that is taxable by that state, the taxpayer may elect,  
5 by a method prescribed by the department, to attribute the receipts from the service  
6 to this state in proportion to the direct cost of performing such service in this state  
7 as compared to the total direct cost of performing the service in all states that have  
8 jurisdiction to tax such service.”.

9           **16.** Page 878, line 22: delete the material beginning with that line and ending  
10 with page 888, line 14.

11           **17.** Page 913, line 3: delete the material beginning with that line and ending  
12 with page 914, line 4.

13           **18.** Page 938, line 24: delete the material beginning with that line and ending  
14 with page 941, line 10.

15           **19.** Page 943, line 18: delete the material beginning with that line and ending  
16 with page 944, line 19.

17           **20.** Page 945, line 20: delete the material beginning with that line and ending  
18 with page 946, line 3.

19           **21.** Page 1599, line 20: after that line insert:

20           “(22fd) TAXABLE SERVICES. The treatment of sections 71.04 (7) (dr) and 71.25 (9)  
21 (dr) of the statutes first applies to taxable years beginning on January 1, 2000.”.

22           **22.** Page 1614, line 6: delete lines 6 to 14.

23

(END)