

Assembly Hearing Slip

(Please print plainly)

Date: October 13, 1999
Bill No. AB 163
Or.
Subject

(Name) Allison Bjarna
(Street Address or Route Number) 100 River Place Suite 101
(City & Zip Code) Monona WI 53716
(Representing) Wisconsin Counties Association

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: Oct 13, 1999
Bill No. AB 163
Or.
Subject

(Name) Jean Hansen
(Street Address or Route Number) 501 E. Washington Ave
(City & Zip Code) Madison, 53703
(Representing)

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: _____
Bill No. AB 163
Or.
Subject

(Name) Tom Sykes
(Street Address or Route Number) 1268 S Hwy 178
(City & Zip Code) Chippewa Falls WI
(Representing) 67th Assembly Dist

Speaking in favor:
Speaking against:
Registering in favor:
Registering against:
Speaking for information only:
Neither for nor against:

Please return this slip to a messenger promptly.

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 10-13
Bill No. 163
Or.
Subject
Rep Wood
(Name)
(Street Address or Route Number)
(City & Zip Code) 44
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: OCTOBER 13, 1999
Bill No. 163
Or.
Subject
DAVID SCHENKER
(Name)
1522 NICOLET
(Street Address or Route Number)
JANESVILLE 53546
(City & Zip Code) ME
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 10/13
Bill No. AB 163
Or.
Subject
Tom Ouwada
(Name)
(Street Address or Route Number)
(City & Zip Code)
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.


Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

1999 - 2000 LEGISLATURE


1999 ASSEMBLY BILL 163 

March 4, 1999 - Introduced by Representatives Sykora, Wood, Albers, Freese, Grothman, Gunderson, F. Lasee, Miller, Kelso, Montgomery, Musser, Owens, Powers, Ryba, Skindrud, Urban, Wasserman and Ziegelbauer, cosponsored by Senators Drzewiecki, Lazich and Schultz. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act to amend 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; relating**
Pg1Ln2 **to: the sales taxes on purchases made with a manufacturer's rebate.**

Analysis by the Legislative Reference BureauAB163 


Under current law, the state imposes a sales tax on all retailers at the rate of 5% of the gross receipts from the sale of goods. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5% of the sales price, for the consumption, use or storage of goods in this state that the consumer purchases from out-of-state retailers. Under current law, when a consumer purchases an automobile that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the automobile rather than on the price as reduced by the manufacturer's rebate.

AB163 

Under this bill, when the consumer purchases an automobile with a manufacturer's rebate, the consumer pays a sales tax or a use tax on the reduced price rather than on the original price.


For further information see the state 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:

AB163, s. 1 

Pg1Ln3

Section 1. 77.51 (4) (b) 1. of the statutes is amended to read:


AB163, s. 1 - continued 

Pg2Ln1

Pg2Ln2


Pg2Ln3

77.51 (4) (b) 1. Cash or term discounts, or automobile manufacturers' rebates, allowed and taken on sales; In this subdivision, "automobile" has the meaning given in s. 340.01 (4).

AB163, s. 2 

Pg2Ln4

Section 2. 77.51 (15) (b) 1. of the statutes is amended to read:


AB163, s. 2 - continued 

Pg2Ln5

Pg2Ln6


Pg2Ln7

77.51 (15) (b) 1. Cash discounts, or automobile manufacturers' rebates, allowed and taken on sales; In this subdivision, "automobile" has the meaning given in s. 340.01 (4).

AB163, s. 3 

Pg2Ln8

Section 3. Effective date.

AB163, s. 3 - continued 

Pg2Ln9

Pg2Ln10

Pg2Ln11

(1) **Manufacturers' rebates.** This act takes effect on the first day of the 2nd month beginning after publication.

(End)

Ways & Means Committee
Preliminary Report on Referred Legislation
March 10, 1999

Bill: AB163
Author: Sykora
Date Referred: 3-04-1999
Public Hearing:
Executive Session:

Relating Clause: *the sales taxes on purchases made with a manufacturer's rebate.*

Comments from Department of Revenue-

Sales tax is levied on what the retailer takes in. With manufacturers' rebate, it is the manufacturer that takes the loss of gross receipts, not the retailer. The manufacturer makes a "payment" to the retailer.

Comments from the Author-

Author's reasoning for introducing legislation:

Author's intent:

Exempt the amount by which a manufacturer's rebate reduces the price paid by a consumer on the purchase of an automobile, from the sales and use tax.

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Comments from potentially affected parties-

Big FE.



TOM SYKORA
STATE REPRESENTATIVE

*Called
7/21/99*

July 20, 1999

Representative Michael Lehman, Chair
Assembly Ways and Means Committee
103 West
State Capitol Building

Dear Rep. ~~Lehman~~ *Mickey*:

It has come to my attention that Assembly Bill 163 was assigned to your committee and has not yet received a public hearing.

AB 163 would allow a consumer, who is purchasing an automobile with a manufacturer's rebate, to pay sales tax on the reduced price rather than on the original price.

I would greatly appreciate your consideration of holding a public hearing on Assembly Bill 163.

Please contact my office with any questions you may have.

Best Wishes,

Tom Sykora
TOM SYKORA
State Representative

TS/srj

Proposal Issue Page

For use at public hearings and any other forum of debate

Date 10-13

Proposal 163

Lead Author(s) Sykora

Pros:

Reduce the burden of sales tax on car dealers that is passed on to ~~the~~ purchasers.

Cons: Costs \$

Sales tax should be levied upon the gross receipt no matter who pays it, purchaser or manuf in form of rebate.

↳ Tax advantage for one type of marketing scheme.

↳ Get the transaction to occur where the purchaser signs for the reduced amount.

DOR → There should be a clarification regarding when the purchaser takes the rebate. Up front - no tax Later - tax
This bill could alter this
Problem with assessing tax on dealer for amount less than the dealer receives.

Just return statutes to this → 5% on gross receipts, period.

The tax is on the amount the dealer receives. If you want the consumer to be responsible for less tax, then the amount rec'd by the dealer must be reduced.

The answer \rightarrow the manuf must provide the cars to a dealer at a reduced price.