

Assembly Hearing Slip

(Please print plainly)

Date: 1/5
Bill No. AB619
Or.
Subject _____

Tom Ourada - Vicki Gibbons
(Name)
DOR
(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

Assembly Hearing Slip

(Please print plainly)

Date: Jan 5, 2000
Bill No. AB 619
Or.
Subject _____

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

Assembly Hearing Slip

(Please print plainly)

Date: 1/5/00
Bill No. AB 619
Or.
Subject _____

Brandon Scholz
(Name)
2601 Crossroads Dr 185
(Street Address or Route Number)
Madison 53718
(City & Zip Code)
Wisconsin Grocers Assn
(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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State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 1/5/2000
Bill No. AB 619
Or
Subject

Michael Thomas (Rep)
(Name)
10361 Mt Capitol
(Street Address or Route Number)
Madison
(City & Zip Code)
Author
(Representing)

- Speaking in favor: X
- 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: 1/5/00
Bill No. AB 619
Or
Subject MFA Relates/Subs text

Gary D. Williams
(Name)
P.O. Box 5345
(Street Address or Route Number)
Madison 53705-5345
(City & Zip Code)
W.F. Automobile and Truck Dealers Assn.
(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

Assembly Hearing Slip

(Please print plainly)

Date: 1-5-2000
Bill No. AB 619
Or
Subject

Wayne W. Wood
(Name)
2429 Rockport Rd.
(Street Address or Route Number)
Janesville WI. 53545
(City & Zip Code)
WV Tr Assembly Dist
(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 210 West
State Capitol
Madison, WI 53702

Assembly Committee on Ways and Means

DATE _____

Moved by Wood Seconded by Leh

AB 619 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

Passage

Introduction

Adoption

Rejection

Indefinite Postponement

Tabling

Concurrence

Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair	2			
3.	Rep. Bob Goetsch	3			
4.	Rep. Mike Huebsch	4			
5.	Rep. Frank Lasee	5			
6.	Rep. John Ainsworth	6			
7.	Rep. Suzanne Jeskewitz				
8.	Rep. Carol Owens	7			
9.	Rep. Joan Spillner	8			
10.	Rep. Wayne Wood	9			
11.	Rep. John La Fave	10			
12.	Rep. Lee Meyerhofer				
13.	Rep. Johnnie Morris-Tatum	11			
14.	Rep. Jeffrey Plale	12			
15.	Rep. Bob Turner	13			
16.	Rep. Bob Ziegelbauer	14			
	Totals				

MOTION CARRIED

MOTION FAILED

Assembly Committee on Ways and Means

DATE _____

Moved by Syk Seconded by Wood
 AB 619 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____

A/S Amdt LRB 1127
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

intro
Syk / *2/20/00*

Be recommended for:

- Passage
- Introduction
- Adoption
- Rejection
- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair	2			
3.	Rep. Bob Goetsch	3			
4.	Rep. Mike Huebsch	4			
5.	Rep. Frank Lasee	5			
6.	Rep. John Ainsworth	6			
7.	Rep. Suzanne Jeskewitz				
8.	Rep. Carol Owens	7			
9.	Rep. Joan Spillner	8			
10.	Rep. Wayne Wood	9			
11.	Rep. John La Fave	10			
12.	Rep. Lee Meyerhofer				
13.	Rep. Johnnie Morris-Tatum	11			
14.	Rep. Jeffrey Plale	12			
15.	Rep. Bob Turner	13			
16.	Rep. Bob Ziegelbauer	14			
	Totals				

MOTION CARRIED

MOTION FAILED



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

December 27, 1999

MEMORANDUM

To: Representative Michael Lehman

From: Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **1999 AB 619** (LRB 99-3816/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

December 20, 1999

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on AB 619, Relating to Sales and Use Tax Treatment of Purchases Made with a Manufacturer's Rebate

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language needs to be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE Positions</u>
One-time cost	20.566 (1)(a)	\$54,100	

If you have questions regarding this technical memorandum, please contact Pat Lashore at 266-3347.

YEB:JS:ds
t:\fsn99-00\js\lab619.tec

Proposal Issue Page

For use at public hearings and any other forum of debate

Date 1-5-2000

Proposal AB669

Lead Author(s) Lehman, M

Pros: A compromise of other legislation

Exempt from sales tax for manuf rebates that reduce price of item at point of sale.

Cons:

\$9.3 million ↓ in rev just for auto rebates → pricey

pg LL 3&7 (to the retailer)

L 10 sales

Effect date Δ to 7 days after publication

Funding to facilitate notification



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536

Telephone: (608) 266-1304

Fax: (608) 266-3830

Email: leg.council@legis.state.wi.us

DATE: January 10, 2000

TO: REPRESENTATIVE MICHAEL LEHMAN, CHAIRPERSON, ASSEMBLY COMMITTEE ON WAYS AND MEANS

FROM: Robert J. Conlin, Senior Staff Attorney

SUBJECT: Assembly Amendment ___ (LRBa1127/1) to 1999 Assembly Bill 619, Relating to the Sales Tax and the Use Tax on Purchases Made With a Manufacturer's Rebate

This memorandum briefly describes Assembly Amendment ___ (LRBa1127/1) to 1999 Assembly Bill 619, relating to the sales tax and the use tax on purchases made with a manufacturer's rebate. The bill was introduced by you and Representatives Wood, Sykora and Ziegelbauer. The Assembly Committee on Ways and Means held a public hearing on the bill on Wednesday, January 5, 2000. An executive session has been scheduled on the bill for Wednesday, January 12, 2000.

A. ASSEMBLY BILL 619

Under the bill, amounts paid by the manufacturer of an item sold that reduce the amount paid by the purchaser of the item at the time of sale, e.g., a manufacturer's coupon or rebate, is excluded from "gross receipts" for purposes of calculating the state's sales and use tax. The bill would take effect as an act on the first day of the second month beginning after publication.

B. ASSEMBLY AMENDMENT — (LRBa1127/1)

Assembly Amendment ___ (LRBa1127/1) is a proposed simple amendment to the bill. The proposed amendment does the following three things:

1. The amendment specifies that the amount paid by the purchaser of the item that is reduced by the manufacturer's rebate must be paid *to the retailer*.
2. The amendment creates an initial applicability provision which provides that the provisions of the bill *first apply to sales on the effective date of the bill*.

3. The amendment modifies the effective date provision contained in the bill to provide that the bill *would take effect as an act on the seventh day after the date of publication*, rather than on the first day of the second month after publication, as provided in the bill.

If you have additional questions, please feel free to contact me at the Legislative Council Staff offices.

RJC:rv:tlv;rv



BILL SUMMARY

AB 619: Sales Tax on Purchases made with Rebate

Date: February 10th, 2000

BACKGROUND

Under current law, the state imposes on all retailers a sales tax of 5% on the gross receipts from the sale of tangible personal property. Retailers typically pass this tax on to the consumer.

SUMMARY OF AB 619 (AS AMENDED BY COMMITTEE)

Under Assembly Bill 619, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales or use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.

AMENDMENTS

Assembly Amendment 1 (offered in committee) to AB 619 does the following three things:

1. The amendment specifies that the amount paid by the purchaser of the item that is reduced by the manufacturer's rebate must be paid to the retailer.
2. The amendment creates an initial applicability provision, which provides that the provisions of the bill first apply to sales on the effective date of the bill.
3. The amendment modifies the effective date provision contained in the bill to provide that the bill would take effect on the seventh day after the date of publication, rather than on the first day of the second month after publication, as provided in the bill

Assembly Amendment 2 (to be offered on the floor by Reps. M. Lehman, Wood, Sykora, Ziegelbauer) will modify the bill so that the provisions of the bill do not take effect until the next biennium.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates that "Information is not available on the amount of the manufacturers' coupons and rebates that was directly applied to purchase price of taxable goods and services in Wisconsin. However, the fiscal effect would be substantial given that the bill affects all taxable items sold at retail including: apparel and accessories, automobiles, building materials and garden supplies, taxable food items, consumer electronics, furniture and home furnishings, and other general merchandise."

According to the Department of Revenue, the fiscal effect for automobiles alone is \$9.3 million.

PROS

1. Under this bill, consumers would no longer be paying sales and use tax on the sales price of tangible personal property covered by a manufacturer's rebate - consumers would pay sales tax on only their cost.

CONS

1. The bill has a large fiscal estimate.

SUPPORTERS

Rep. Michael Lehman, author; Rep. Wayne Wood, WI Grocers Association

OPPOSITION

WI Counties Association

HISTORY

Assembly Bill 619 was introduced on 12-13-99, and referred to the Assembly Committee on Ways and Means. A public hearing was held on 1-5-2000. On 1-19-2000, the Committee voted 14-0 [Reps. Jeskewitz and Meyerhofer absent] to recommend passage of AB 619.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman