

## 2001 ASSEMBLY BILL 15

January 16, 2001 – Introduced by Representatives M. LEHMAN, SYKORA, WOOD, ZIEGELBAUER, VRAKAS, WADE, AINSWORTH, BOCK, RHOADES, HUEBSCH, BLACK, KREIBICH, LEIBHAM, OLSEN, MUSSER, KEDZIE, GRONEMUS, GROTHMAN, PETROWSKI, WASSERMAN, F. LASEE and OWENS, cosponsored by Senators S. FITZGERALD, DARLING and BAUMGART. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; **relating**  
2             **to:** the sales tax and the use tax on purchases made with a manufacturer's  
3             rebate.

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### *Analysis by the Legislative Reference Bureau*

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 tangible personal property. 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 use or storage of tangible personal property in this state that the consumer either purchases from out-of-state retailers or purchases without paying the appropriate sales tax. Under current law, when a consumer either purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.

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

