

**2001 DRAFTING REQUEST**

**Bill**

Received: 11/21/2000

Received By: jkreye

Wanted: As time permits

Identical to LRB: 99 AB 619

For: Michael Lehman (608) 267-2367

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact: Martha Hess at Rep. Sykora

Alt. Drafters:

Subject: Tax - sales

Extra Copics:

**Pre Topic:**

No specific pre topic given

**Topic:**

Manufacturer's rebate

**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<br>11/21/2000 | gilfokm<br>11/22/2000 |                        | _____          |                            |                            | S&L             |
| /1           | jkreye<br>11/28/2000 | gilfokm<br>11/28/2000 | martykr<br>11/28/2000  | _____          | lrb_docadmin<br>11/28/2000 |                            | S&L             |
| /2           |                      |                       | pgreensl<br>11/30/2000 | _____          | lrb_docadmin<br>11/30/2000 | lrb_docadmin<br>12/06/2000 |                 |

FE Sent For:

<END>

**2001 DRAFTING REQUEST**

**Bill**

Received: 11/21/2000

Received By: jkreye

Wanted: As time permits

Identical to LRB: 99 AB 619

For: Michael Lehman (608) 267-2367

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact: Martha Hess at Rep. Sykora

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Manufacturer's rebate

**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<br>11/21/2000 | gilfokm<br>11/22/2000 |                        | _____          |                            |                 | S&L             |
| /1           | jkreye<br>11/28/2000 | gilfokm<br>11/28/2000 | martykr<br>11/28/2000  | _____          | lrb_docadmin<br>11/28/2000 |                 | S&L             |
| /2           |                      |                       | pgreensl<br>11/30/2000 | _____          | lrb_docadmin<br>11/30/2000 |                 |                 |

FE Sent For:

<END>

2001 DRAFTING REQUEST

Bill

Received: 11/21/2000

Received By: jkreye

Wanted: As time permits

Identical to LRB: 99 AB 619

For: Michael Lehman (608) 267-2367

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact: Martha Hess at Rep. Sykora

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Manufacturer's rebate

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<br>11/21/2000 | gilfokm<br>11/22/2000 |                       | 11/29<br>PB/TK |                            |                 | S&L             |
| /1           |                      | 1/2 - 11/28 King      | martykr<br>11/28/2000 |                | lrb_docadmin<br>11/28/2000 |                 |                 |

FE Sent For:

11/29  
PG

<END>

2001 DRAFTING REQUEST

Bill

Received: 11/21/2000

Received By: jkreye

Wanted: As time permits

Identical to LRB: 99 AB 619

For: Michael Lehman (608) 267-2367

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact: Martha Hess at Rep. Sykora

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Manufacturer's rebate

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         | 1-11/22 King    | Km 27        | Pg Km 11/28    |                  |                 |                 |

FE Sent For:

<END>

**Kreye, Joseph**

---

**From:** Hess, Martha  
**Sent:** Monday, November 20, 2000 3:52 PM  
**To:** Kreye, Joseph  
**Subject:** reintroduction of legislation

Rep. Sykora would like to reintroduce AB ~~100~~<sup>619</sup> relating to sales taxes on purchases made with a manufacturer's rebate.

Could you work that up for me?

Thank you.

Martha Hess  
Rep. Tom Sykora's Office  
266-1194

*include  
adopted  
amendments.*

↓  
*For M. P. Retman's office*

**ASSEMBLY AMENDMENT 1,  
TO 1999 ASSEMBLY BILL 619**

January 12, 2000 - Offered by COMMITTEE ON WAYS AND MEANS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 3: after "purchaser of the item" insert "to the retailer of the  
3 item".

4 **2.** Page 2, line 7: after "purchaser of the item" insert "to the retailer of the  
5 item".

6 **3.** Page 2, line 8: after that line insert:

7 **"SECTION 2m. Initial applicability.**

8 (1) MANUFACTURERS' REBATES. This act first applies to sales on the effective date  
9 of this subsection."

10 **4.** Page 2, line 10: delete lines 10 and 11 and substitute:

11 "(1) MANUFACTURERS' REBATES. This act takes effect on the 7th day after the date  
12 of publication."

13

(END)



King

1156/1

# 1999 ASSEMBLY BILL 619

December 13, 1999 - Introduced by Representatives M. LEHMAN, WOOD, SYKORA and ZIEGELBAUER. Referred to Committee on Ways and Means.

11-21-00

re gen

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.

### *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 purchases from out-of-state retailers. Under current law, 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 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.

For further information see the *state and local* 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:**

or purchaser without paying the appropriate sales tax

either



ASSEMBLY BILL 619

SECTION 1

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

2 77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer  
3 of the item sold that reduce the amount paid by the purchaser of the item at the time  
4 of sale; allowed and taken on sales;

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

6 77.51 (15) (b) 1. Cash discounts; or amounts paid by the manufacturer of the  
7 item sold that reduce the amount paid by the purchaser of the item at the time of sale;  
8 allowed and taken on sales;

9 SECTION 3. Effective date.

10 (1) MANUFACTURERS' REBATES. This act takes effect on ~~the first day of the 2nd~~  
11 ~~month beginning after publication.~~

12 (END)

July 1, 2001

INSERT A

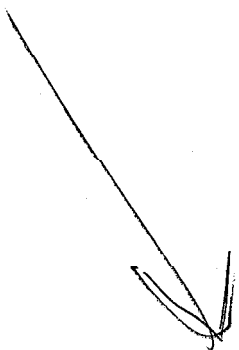
INSERT A

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

77.51 (4) (b) 1. Cash or term discounts allowed and taken on sales.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83.

; or amounts paid by the manufacturer of the item sold that reduce the amount paid to the retailer of the item at the time of sale;



INSERT A  
cont

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

77.51 (15) (b) 1. Cash discounts allowed and taken on sales.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83.

; or amounts paid by the manufacturer of the item sold that reduce the amount paid to the reseller of the item at the time of sale;

end of insert A



**2001 BILL**

m 11-28-00  
D-N  
purchases

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.**

***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 purchasers 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.



11.56/2  
JK : King.

D-IV

date

Representative Lehman:

This draft makes a technical correction to the bill. Please contact me if you have any questions.

JK

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1156/2dn  
JK:kmg:pg

November 29, 2000

Representative Lehman:

This draft makes a technical correction to the bill. Please contact me if you have any questions.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.state.wi.us](mailto:joseph.kreye@legis.state.wi.us)



STEPHEN R. MILLER  
CHIEF

# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

November 30, 2000

### MEMORANDUM

To: Representative M. Lehman

From: Joseph T. Kreye, Legislative Attorney

Re: LRB-1156 Manufacturer's rebate

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY  JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-2263 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.





# 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

February 7, 2001

## MEMORANDUM

**To:** Representative Michael Lehman

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

**Subject:** Technical Memorandum to **2001 AB-15** (LRB 01-1156/2)

---

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**

February 5, 2001

**TO:** Joe Kreye  
Legislative Reference Bureau

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

**SUBJECT:** Technical Memorandum on Assembly Bill 15 Relating to Sales and Use Tax Treatment of Purchases Made with Manufacturers' Rebate

The Department suggests that, on lines 3 and 7 of the bill, the phrase "amount paid" be modified by the phrase, "by the buyer". In addition, the sponsor may wish to consider deleting the phrase, "at the time of sale", from lines 3 and 7. These changes would ensure the apparent objective of reducing the amount on which a consumer pays sales and use tax is accomplished.

We make these suggestions because the bill would allow exclusion of rebates and other amounts paid by manufacturers "that reduce the amount paid to the retailer ... at the time of the sale." However, the time of sale, under sec. 77.51 (14r), Wis. Stats., occurs when ownership of property is transferred from the seller to the buyer and this may not be the same time that the manufacturer and purchaser make payments to the retailer. The change we propose would help to reduce confusion and disputes among the Department, retailers and consumers.

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 could be developed and costs allocated in the following manner:

|          | <u>Chapter 20</u> | <u>Amount</u> | <u>FTE</u> |
|----------|-------------------|---------------|------------|
| one-time | s. 20.566 (1) (a) | \$ 60,000     |            |

If you have any questions regarding this technical memorandum, please contact Dennis Collier at 266-5773.

YEB:DC:ds  
I:\fsn01-02\dclab15.tec