

2001 DRAFTING REQUEST

Bill

Received: 11/29/2000

Received By: jkreye

Wanted: As time permits

Identical to LRB: 99-3368

For: Joan Wade (608) 266-7746

By/Representing: jason

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Residential electricity

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 11/29/2000	gilfokm 11/30/2000		_____			State Tax
/1			martykr 12/01/2000	_____	lrb_docadmin 12/01/2000	lrb_docadmin 12/07/2000	

FE Sent For: 01/16/2001.

<END>

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1?	jkreye	11-11/30 King	km 12	Plp 12 km 1			

FE Sent For:

<END>

Kreye, Joseph

From: Kunkel, Mark
Sent: Wednesday, November 29, 2000 2:14 PM
To: Kreye, Joseph
Subject: Tax redraft

Can you redraft a bill I did last session (probably when you were really busy): 1999 Senate Bill 235 (99-3368/1)? It pertains to a sales tax exemption for residential electricity). Thanx.

Oh, the requester is Rep. Joan Wade Spillner. Jason in her office talked to me.

Mark Kunkel
Legislative Attorney
Legislative Reference Bureau
(608) 266-0131 mark.kunkel@legis.state.wi.us

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 3368/1

INTRODUCTION # SB 235

Admin. Rule #

Subject

Create Sales and Use Tax Exemption for Electricity Sold for Residential Use

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No

 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others SWBPD
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

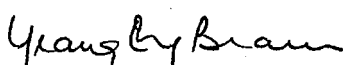
Assumptions Used in Arriving at Fiscal Estimate:

Under current law, residential electricity sold from November through April is exempt from sales and use tax; this bill would extend the exemption to electricity sold in the remaining months of the year.

Residential sales of electricity in 1997 that were subject to the sales tax were an estimated \$560.4 million, based on data in *Wisconsin Energy Statistics* published by the Department of Administration's Division of Energy and Intergovernmental Relations. Based on DRI's forecasted growth in the consumer price index for electricity and historical change in consumption for Wisconsin, sales of electricity to households from November through April are estimated at \$634 million for 1999-2000. Assuming this bill takes effect on November 1, 1999, the revenue loss from this bill would be approximately \$31.7 million (\$634 x 5%) annually.

In 1998, county and stadium sales taxes were 6.24% of total state sales taxes. Assuming this same percentage applies, the revenue loss to local governments would be \$2 million (\$31.7 million x 6.24%) annually.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue John T. Stott, (608) 266-9706	Yeang-Eng Braun  (608) 266-2700	10/7/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 3368/1	Admin. Rule #
INTRODUCTION # SB 235	

Subject
Create Sales and Use Tax Exemption for Electricity Sold for Residential Use

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ - 31.7 million
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 31.7 million

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 31.7 million	\$ - 2 million

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue John T. Stott, (608) 266-9706	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	10/7/99

1247/1

kmj
JK

1999 SENATE BILL 235

11-29-00

September 16, 1999 - Introduced by Senators DRZEWIECKI, SCHULTZ, WELCH, GEORGE, WIRCH and HUELSMAN, cosponsored by Representatives SPILLNER, MUSSER, WOOD, STONE, PLOUFF, KAUFERT, GRONEMUS, KELSO, LADWIG, OWENS, SYKORA, LASSA, REYNOLDS, HANDRICK, HASENOHRL, F. LASEE, RYBA, ALBERS, PETTIS, GUNDRUM, KREUSER and PETROWSKI. Referred to Joint survey committee on Tax Exemptions.

Gen. Cat.

the

1 AN ACT to amend 77.54 (30) (a) 2. of the statutes; relating to: ~~creating a~~ sales
2 tax exemption for electricity sold for residential use during any month.

Analysis by the Legislative Reference Bureau

Under current law, electricity that is sold for residential use during the months November to April is exempt from the sales tax. This bill provides an exemption for electricity sold for residential use during any month.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

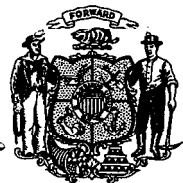
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 77.54 (30) (a) 2. of the statutes is amended to read:

77.54 (30) (a) 2. ~~Electricity and natural~~ Natural gas sold during the months of November, December, January, February, March, and April for residential use and electricity sold during any month for residential use.

SECTION 2. Effective date.

P.W.F. }
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6
7



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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

STEPHEN R. MILLER
CHIEF

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

December 1, 2000

MEMORANDUM

To: Representative ~~Spillner~~ Wade

From: Joseph T. Kreye, Legislative Attorney

Re: LRB-1247 Residential electricity

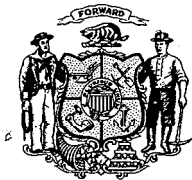
The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. 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 Wade

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

Subject: Technical Memorandum to **2001 AB-28** (LRB 01-1247/1)

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

February 2, 2001

TO: Joe Kreye
Legislative Reference Bureau

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

SUBJECT: Technical Memorandum on Assembly Bill 28 – Extend Sales and Use Tax Exemption for Electricity Sold for Residential Use

The Department recommends that this bill, exempting electricity sold for residential year round rather than for the months of November through April, take effect on May 1 following enactment of the legislation, rather than July 1, 2001.

When the exemption for electricity used in farming was similarly extended in 1999 Wisconsin Act 9, utility companies requested a May 1 effective date to give them adequate time to program systems and obtain exemption certificates for persons with combined exempt and taxable use. In addition, utilities indicated that they currently change programming at the end of the existing exemption period in April, so the May 1 effective date would eliminate an additional programming step for them. We expect utilities to raise similar issues with the current bill.

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

YEB:DC:ds
I:\fsn01-02\dc\ab28.tec