

2001 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB64)

Received: 02/27/2001

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Christine Sinicki (608) 266-8588

By/Representing: jan

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters:

Subject: Tax - sales

Extra Copics:

Pre Topic:

No specific pre topic given

Topic:

Tax on tips and gratuities

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 02/27/2001	gilfokm 02/27/2001	pgreensl 02/27/2001	_____	lrb_docadmin 02/27/2001	lrb_docadmin 02/27/2001	

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1/?	jkreye	1-2/Kmg 2/27-01	2/27 PG	2/27 Pg/KM			

FE Sent For:

<END>

Kreye, Joseph

From: Koloen, Jan
Sent: Tuesday, February 27, 2001 10:20 AM
To: Lehman, Mickey; Kreye, Joseph
Subject: FW: AB 64 - Suggested Changes

Sensitivity: Private

Rep. Sinicki asked that this bill be redrafted to comply with suggested changes made by the Department of Revenue, as indicated below

-----Original Message-----

From: Collier, Dennis J
Sent: Tuesday, February 27, 2001 9:35 AM
To: Koloen, Jan
Subject: AB 64 - Suggested Changes
Sensitivity: Private

Here is a heads up on the drafting suggestions we will make in our technical memo on AB 64:

1. Proposed sec. 77.51 (4)(b)2m, as created by Section 1 of the bill, should exclude from gross receipts any fees or service or labor charges for the sales of meals, food, food products and beverages made in lieu of a tip and stated separately on the bill.
2. Sec. 77.51 (4)(a)2 and (c)2, Wis. Stats., should be amended to provide an exception for proposed sec. 77.51 (4)(b)2m. (There should be no reference to Subchapter V, as in the current draft.)
3. Proposed sec. 77.51 (15)(b)2m, as created by Section 3 of the bill, should exclude from sales price any fees or service or labor charges for the sales of meals, food, food products and beverages made in lieu of a tip and stated separately on the bill.
4. Sec. 77.51 (15)(a)2 and (c)1, Wis. Stats., should be amended to provide an exception for proposed sec. 77.51 (15)(b)2m. (There should be no reference to Subchapter V, as in the current draft.)
5. Section 5 of the bill should be deleted.
6. Sec. 77.982 (2), Wis. Stats., should be amended to refer to proposed sec. 77.51 (4)(b)2m.

The above suggestions assume that AB 64 will be the starting point for drafting an amendment. If the drafter wants to start from 1999 AB 572 as amended by LRBa1126/1, we would suggest the following changes in addition to those in the amendment:

1. 77.51 (4)(b)2m and (15)(b)2m, as created by the bill, read as follows [same as points 1 and 3 above]:

77.51 (4)(b)2m. Any fee, service charge, labor charge or other addition to the price, for the sale of meals, food, food products or beverages, that represents or is in lieu of a tip or gratuity, if separately listed on the receipt given by the retailer to the purchaser.

77.51 (15)(b)2m. Any fee, service charge, labor charge or other addition to the price, for the sale of meals, food, food products or beverages, that represents or is in lieu of a tip or gratuity, if separately listed on the receipt given by the retailer to the purchaser.
2. Delete Section 5 of AB 572 [same as point 5 above].
3. Amend sec. 77.982 (2), Wis. Stats., to include sec. 77.51 (4)(b)2m [same as point 6 above].

[The amendment to AB 572 already dealt with points 2 and 4 above.]

I hope this is helpful, and again, I am sorry you are having to deal with this so close to Wednesday's hearing. Please let me know if you have any questions or need additional information.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBs0048/

JK: KMO
RMR

ASSEMBLY SUBSTITUTE AMENDMENT,
TO 2001 ASSEMBLY BILL 64

in 2-27-01
Today
by 3:30PM

1 AN ACT ^{gen}...; relating to: the sales tax and the use tax on tips and gratuities.

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

2 SECTION 1. 77.51 (4) (a) 2. of the statutes is amended to read:

3 77.51 (4) (a) 2. The cost of the materials used, labor or service cost, interest
4 paid, losses[✓], or any other expense, except as provided in par. (b) 2m.;

History: 1973 c. 333, 1973 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.

5 SECTION 2. 77.51 (4) (b) 2m. of the statutes is created to read:

6 77.51 (4) (b) 2m. Any fee, service charge, labor charge[✓], or other addition to the
7 price, for the sale of meals, food, food products[✓], or beverages[✓], that represents or is in
8 lieu of a tip or gratuity, if listed separately on the receipt that the retailer gives to the
9 purchaser.

10 SECTION 3. 77.51 (4) (c) 2. of the statutes is amended to read:

1 77.51 (4) (c) 2. Any Except as provided in par. (b) 2m., any services that are a
 2 part of the sale of tangible personal property, including any fee, service charge, labor
 3 charge, or other addition to the price charged a customer by the retailer which
 4 represents or is in lieu of a tip or gratuity.

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.

5 **SECTION 4.** 77.51 (15) (a) 2. of the statutes is amended to read:

6 77.51 (15) (a) 2. The cost of the materials used, labor or service cost, losses, or
 7 any other expenses, except as provided in par. (b) 2m.

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.

8 **SECTION 5.** 77.51 (15) (b) 2m. of the statutes is created to read:

9 77.51 (15) (b) 2m. Any fee, service charge, labor charge, or other addition to the
 10 price, for the sale of meals, food, food products, or beverages, that represents or is in
 11 lieu of a tip or gratuity, if listed separately on the receipt that the retailer gives to the
 12 purchaser.

13 **SECTION 6.** 77.51 (15) (c) 1. of the statutes is amended to read:

14 77.51 (15) (c) 1. Any Except as provided in par. (b) 2m., any services that are
 15 a part of the sale of tangible personal property, including any fee, service charge,
 16 labor charge, or other addition to the price charged a customer by the retailer which
 17 represents or is in lieu of a tip or gratuity.

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.

18 **SECTION 7.** 77.982 (2) of the statutes is amended to read:

19 77.982 (2) Sections 77.51 (4) (a), (b) 1., 2., 2m., and 4., (c) 1. to 3. and (d), (14)
 20 (a) to (f), (j) and (k), and (14g), 77.52 (3), (6), (13), (14), and (18), and (19), 77.58 (1) to (5)
 21 and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply
 22 to the taxes under subch. III, apply to the tax under this subchapter. Sections 77.72

1 (1) and 77.73, as they apply to the taxes under subch. V, apply to the tax under this
2 subchapter.

History: 1993 a. 263, 491; 1999 a. 9.

3 **SECTION 8. Effective date.**

4 (1) This act takes effect on the first day of the 2nd month beginning after
5 publication.

6 (END)