

2001 DRAFTING REQUEST

Assembly Amendment (AA-AB453)

Received: 11/08/2001

Received By: jkreye

Wanted: Today

Identical to LRB:

For: Dan Schooff (608) 266-9967

By/Representing: jason

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - sales

Extra Copies:

Submit via email: NO

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	csicilia	haugeca	_____	lrb_docadmin	lrb_docadmin	
	11/08/2001	11/08/2001	11/08/2001	_____			
	jkreye	csicilia		_____			
	11/08/2001	11/08/2001		_____			
/2			jfrantze	_____	lrb_docadmin	lrb_docadmin	
			11/08/2001	_____			

FE Sent For:

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FE Sent For:

1/2 cjs 11/8/01
 [Signature] 11/8/01
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/1	jkreye	105 11/8 01	CK 11-8	CK 11-8			

FE Sent For:

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11-8-01

School - Janon

AB 15 (1156) - A to AB 453

2001 ASSEMBLY BILL 453

June 26, 2001 – Introduced by Representatives LADWIG, SCHNEIDER, STONE, ALBERS, BIES, FREESE, GRONEMUS, GUNDERSON, HUNDERTMARK, JOHNSRUD, KRAWCZYK, MUSSER, NASS, OTT, OWENS, PETTIS, POWERS, SKINDRUD, STASKUNAS, SYKORA, TURNER and PETROWSKI, cosponsored by Senator PLACHE. Referred to Committee on Ways and Means.

1 **AN ACT to create** 77.51 (4) (b) 3m., 77.51 (15) (b) 4m. and 218.0171 (2) (cq) of the
2 statutes; **relating to:** sales tax on motor vehicles purchased after a consumer
3 receives a refund under a new motor vehicle warranty.

Analysis by the Legislative Reference Bureau

Currently, the law governing repair, replacement, and refund under a new motor vehicle warranty, commonly called the "lemon law," provides remedies for a person who purchases or leases a motor vehicle, or who otherwise may enforce a motor vehicle warranty (a consumer). Under the lemon law, if a motor vehicle cannot be repaired, the manufacturer must either replace the vehicle or give the consumer, and any holder of a perfected security interest in the consumer's vehicle, a full refund. A full refund includes, in addition to the purchase price and other charges, any sales taxes paid by the consumer at the point of sale. The sales tax is calculated at 5% of the difference between the purchase price of the vehicle and any vehicle the consumer traded in when he or she purchased the vehicle.

Under current law, if a consumer receives a refund under the lemon law and subsequently purchases a motor vehicle to replace the vehicle for which he or she received a refund, the person pays a sales tax based on the full purchase price of the replacement vehicle.

This bill requires a manufacturer, upon payment of a refund under the lemon law, to provide a written statement to the consumer that includes the purchase price of the vehicle and the date on which the manufacturer issued the lemon law refund. Under the bill, a consumer who makes a subsequent purchase of a motor vehicle and

ASSEMBLY BILL 453

presents the written statement to a motor vehicle dealer within 180 days of the date on which the manufacturer issued the refund pays sales tax only on that part of the purchase price that is the difference between the full purchase price of the original vehicle and the replacement vehicle.

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:

1 **SECTION 1.** 77.51 (4) (b) 3m. of the statutes is created to read:

2 77.51 (4) (b) 3m. If a person who purchases a motor vehicle presents a
3 statement issued under s. 218.0171 (2) (cq) to the seller at the time of purchase, and
4 the person presents the statement within 180 days from the date of receiving a
5 refund under s. 218.0171 (2) (b) 2. b., the purchase price specified in the statement
6 issued under s. 218.0171 (2) (cq).

7 **SECTION 2.** 77.51 (15) (b) 4m. of the statutes is created to read:

8 77.51 (15) (b) 4m. If a person who purchases a motor vehicle presents a
9 statement issued under s. 218.0171 (2) (cq) to the seller at the time of purchase, and
10 the person presents the statement within 180 days from the date of receiving a
11 refund under s. 218.0171 (2) (b) 2. b., the purchase price specified in the statement
12 issued under s. 218.0171 (2) (cq).

13 **SECTION 3.** 218.0171 (2) (cq) of the statutes is created to read:

14 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
15 the manufacturer shall provide to the consumer a written statement that specifies
16 the full purchase price of the motor vehicle having the nonconformity and the date
17 on which the manufacturer provided the refund.

18 **SECTION 4. Initial applicability.**

ASSEMBLY BILL 453

1 (1) The treatment of section 218.0171 (2) (cq) of the statutes first applies to
2 refunds that are made on the effective date of this subsection.

3 **SECTION 5. Effective date.**

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

6 **(END)**

2001

Date (time) needed

NOW

LRBa 0958, 1

VK: 95:

AMENDMENT

See form AMENDMENTS — COMPONENTS & ITEMS.

S (A) AMENDMENT

TO S A AMENDMENT _____ (LRBa /),

TO S A SUBSTITUTE AMENDMENT _____ (LRBs /),

TO 2001 SB SJR SR (AB) AJR AR 453 (LRB- /)

At the locations indicated, amend the bill as follows:

(fill ONLY if "engrossed" or "as shown by")

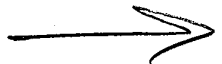
#. Page 1, line 3: after "warranty" insert "and the sales tax and the use tax on purchases made with a manufacturer's rebate".

#. Page 2, line 1: before that line insert: INSERT A

#. Page 2, line 1: delete "1/3" and substitute "1/3". (plain quotation marks)

#. Page 2, line 6: after that line insert: INSERT B

#. Page 3, line 4: (delete) "This act" and substitute: "CONSUMER REFUNDS." The treatment of sections 77.51(4)(b) 3m. and (15)(b) 4m. and 218.0171(2)(c9) of the statute.



a0958/1

#. Page 3, line 5: after that line insert:

INSERT C

~~XX~~. Page 3, line 5: delete "publication."
and substitute "publication, except as
follows:".

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.**

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.

ASSEMBLY BILL 15

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

INSERT A

1c

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

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 to the retailer 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 to the retailer of the item at the time of sale;
8 allowed and taken on sales.

SECTION 3. Effective date.

10 → (1) ~~VARIOUS OTHER REASONS~~ takes effect on July 1, 2001.

STEP: leave as typed

The treatment of section 77.51(4) (b) 1. and (15)(b) 1. of the statutes

INSERT B

NON STAT EFF DATE

INSERT C

Jason - Rep. Lehouff

↳ change effective date in the same



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0958/0
JK:cjs:ch

ASSEMBLY AMENDMENT,
TO 2001 ASSEMBLY BILL 453

in 11-8-01
NOW

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 1, line 3: after “warranty” insert “and the sales tax and the use tax on
- 3 purchases made with a manufacturer’s rebate”.
- 4 **2.** Page 2, line 1: before that line insert:
- 5 “SECTION 1c. 77.51 (4) (b) 1. of the statutes is amended to read:
- 6 77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer
- 7 of the item sold that reduce the amount paid to the retailer of the item at the time
- 8 of sale; allowed and taken on sales.”.
- 9 **3.** Page 2, line 1: delete “1” and substitute “1d”.
- 10 **4.** Page 2, line 6: after that line insert:
- 11 “SECTION 1m. 77.51 (15) (b) 1. of the statutes is amended to read:

1 77.51 (15) (b) 1. Cash discounts; or amounts paid by the manufacturer of the
2 item sold that reduce the amount paid to the retailer of the item at the time of sale;
3 allowed and taken on sales.”.

4 **5.** Page 3, line 5: delete “publication.” and substitute “publication, except as
5 follows:”.

6 **6.** Page 3, line 5: after that line insert:

7 “(1) The treatment of section 77.51 (4) (b) 1. and (15) (b) 1. of the statutes takes
8 effect on July 1, 2001.”.

9

(END)