

**2001 DRAFTING REQUEST**

**Bill**

Received: 01/08/2001

Received By: jkreya

Wanted: As time permits

Identical to LRB: 99-3762/1

For: Glenn Grothman (608) 264-8486

By/Representing: maggie

This file may be shown to any legislator: NO

Drafter: jkreya

May Contact:

Addl. Drafters:

Subject: Tax - sales

Extra Copies:

Submit via email: NO

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Building materials

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**Instructions:**

See Attached

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**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>
/?	jkreya 01/13/2001	jdyer 01/16/2001		_____			S&L Tax
/1			martykr 01/30/2001	_____	lrb_docadmin 01/30/2001	lrb_docadmin 12/17/2001 lrb_docadmin 12/17/2001	

FE Sent For:

<END>

→ At Intro.

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By/Representing: **maggie**

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/?	jkreye	1/16 jld	Km 1/30	DS Km 1/30			

FE Sent For:

<END>

**Kreye, Joseph**

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**From:** Grimm, Maggie  
**Sent:** Monday, January 08, 2001 4:39 PM  
**To:** Kreye, Joseph  
**Subject:** Redraft request

Joe:

Representative Grothman would like the following bill redrafted for the 2001 session:

1999LRB 3762/1

Thanks much. If you have any questions, feel free to call 4-8486 or email.

Maggie Grimm  
Office of Rep. Grothman

1886/1

2001 BILL

~~1999 SENATE BILL 470~~

JLD

1-B-01

March 14, 2000 - Introduced by Senators DARDING and HUELSMAN, cosponsored by Representatives VRASAKAS, GROTHMAN, HOVEN, MUSSER, M. LEHMAN, SYKORA, SPILLNER, GUNDERSON, STONE, URBAN, LADWIG, RYBA, HASENOHRL, MEYERHOFER and KESTELL. Referred to Joint survey committee on Tax Exemptions.

Regen

1 AN ACT to amend 77.54 (41) of the statutes; relating to: a sales tax and a use  
2 tax exemption for building materials sold to a builder for a local government  
3 construction project.

**Analysis by the Legislative Reference Bureau**

Under current law, municipalities and school districts are exempt from paying the sales tax and the use tax on purchases of tangible personal property. To receive the sales tax or use tax exemption, the municipality or school district must purchase the tangible personal property. A builder hired by the municipality or school district may not receive the exemption for property purchased by the builder to be used for a municipality or school district construction project.

Under this bill, the sale of building materials to builders is exempt from the sales tax and the use tax, if the materials are used for the construction, renovation, or development of property pursuant to a contract with a municipality or school district. \*

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 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:**

**SENATE BILL 470**

RWF

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**SECTION 1.** 77.54 (41)<sup>X</sup> of the statutes is amended to read:

77.54 (41) The gross receipts from the sale of building materials, supplies and equipment to; and the storage, use or other consumption of those kinds of property by; owners, contractors, subcontractors or builders if that property is acquired solely for or used solely in, the construction, renovation or development of property that would be exempt under s. 70.11 (36); or if that property is acquired solely for or used solely in the construction, renovation<sub>5</sub> or development of property pursuant to a contract with a municipality, as defined under s. 70.375 (1) (c).<sup>✓</sup>

**SECTION 2. Effective date.**

(1) This act takes effect on the first day of the 2<sup>nd</sup><sup>✓</sup> month beginning after publication.

(END)

## Basford, Sarah

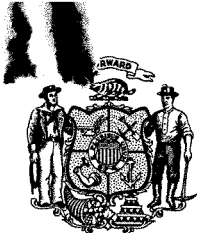
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**From:** Basford, Sarah  
**Sent:** Tuesday, November 27, 2001 1:34 PM  
**To:** Rep.Grothman  
**Subject:** LRB -1886/1 (attached)



01-1886/1

**Sarah Basford**  
Program Assistant  
State of Wisconsin  
Legislative Reference Bureau  
PH: (608) 266-3561/FAX: (608) 264-6948  
[sarah.basford@legis.state.wi.us](mailto:sarah.basford@legis.state.wi.us) <mailto:sarah.basford@legis.state.wi.us>



# 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

*See what  
Darling says  
draft just  
municipalities*

January 30, 2001

### MEMORANDUM

To: Representative Grothman

From: Joseph T. Kreye, Legislative Attorney

Re: LRB-1886 Building materials

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) 266-3501  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

Lrb

January 14, 2002

## MEMORANDUM

**To:** Representative Grothman

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

**Subject:** Technical Memorandum to **2001 AB 688** (LRB-1886/1)

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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

January 8, 2002

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Brian Pahnke  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 688 relating to Exempting from Sales and Use Tax Building Materials for Local Government Buildings

We have the following technical concerns with AB 688:

1. The bill does not specify whether the exemption applies only to municipalities, counties and school districts located in Wisconsin. Under current law, sales to units of local government in other states are not exempt; under the bill, it appears that materials purchased in Wisconsin for use on local government projects in other states would be exempt.
2. The Department suggests limiting the exemption to tangible personal property that becomes a component part of real property. Under the bill, the exemption applies to purchases and rentals of tools and equipment used at the job site and to any other tangible personal property (including, for example, office supplies and utilities) used at the job site. Exempt entities do not typically directly purchase such items today. In addition, the Department suggests that the exemption be further limited to exclude components used in the repair, alteration, fitting, cleaning, painting, coating, towing, maintenance, and inspection of the real property. Creating the exemption in a separate paragraph, similar to the waste treatment exemption under s. 77.54(26), with the above changes would facilitate administration of the exemption by the Department, contractors and local governments.
3. The effective date does not deal with transitional issues. The bill is not clear about the application of the exemption to contracts entered into before the effective date of the law change and inventoried materials purchased before the law change. The language might be modified to make the bill effective for tangible personal property purchased on or after the first day of the second month beginning after publication pursuant to contracts entered into on or after the first day of the second month beginning after publication.
4. 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)	\$56,100	

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).