

2001 DRAFTING REQUEST

Bill

Received: 01/09/2002

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Kevin Shibilski (608) 266-3123

By/Representing:

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - corp. inc. and fran.

Extra Copies:

Submit via email: NO

Pre Topic:

No specific pre topic given

Topic:

Tax credit for sales and use taxes paid on fuel and electricity used in manufacturing

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 01/09/2002	hhagen 01/09/2002		_____			S&L Tax
/1			jfrantze 01/09/2002	_____	lrb_docadmin 01/09/2002	lrb_docadmin 01/09/2002	

FE Sent For:



<END>

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JACKET SLASH 1 FOR ASSEMBLY

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1?	jkreye	1, hmk 1/9/02	Jokig	3elb 1/9			

FE Sent For:

<END>

1-9-02

Shihlski

— 3898

— need assembly companion

(budget for assembly)

4629/1

shmh

DM not R

2001 BILL

in 1-9-02
By 1-10-02

Regenerate

1 AN ACT *to create* 71.07 (3s) (c) 7., 71.28 (3) (c) 7., 71.47 (3) (c) 7. and 77.54 (30)
2 (a) 6. of the statutes; **relating to:** the income and franchise tax credit for sales
3 tax and use tax paid on fuel and electricity consumed in manufacturing.

Analysis by the Legislative Reference Bureau

Under current law, a manufacturer may claim an income or franchise tax credit in an amount that is equal to the sales tax and the use tax that the manufacturer paid on fuel and electricity used for manufacturing tangible personal property in this state. Under this bill, a manufacturer may not claim the credit for taxable years beginning after December 31, 2002, but beginning on January 1, 2003, fuel and electricity sold for use in manufacturing tangible personal property in this state are exempt from the sales tax and the use tax.

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:

4 SECTION 1. 71.07 (3s) (c) 7. ^x of the statutes is created to read:

BILL

1 71.07 **(3s)** (c) 7. No credit may be claimed under this subsection for taxable
2 years that begin after December 31, 2002. Credits that are claimed under this
3 subsection for taxable years that begin before January 1, 2003, may be carried
4 forward to taxable years that begin after December 31, 2002.

5 **SECTION 2.** 71.28 (3) (c) 7. of the statutes is created to read:

6 71.28 **(3)** (c) 7. No credit may be claimed under this subsection for taxable years
7 that begin after December 31, 2002. Credits that are claimed under this subsection
8 for taxable years that begin before January 1, 2003, may be carried forward to
9 taxable years that begin after December 31, 2002.

10 **SECTION 3.** 71.47 (3) (c) 7. of the statutes is created to read:

11 71.47 **(3)** (c) 7. No credit may be claimed under this subsection for taxable years
12 that begin after December 31, 2002. Credits that are claimed under this subsection
13 for taxable years that begin before January 1, 2003, may be carried forward to
14 taxable years that begin after December 31, 2002.

15 **SECTION 4.** 77.54 (30) (a) 6. of the statutes is created to read:

16 77.54 **(30)** (a) 6. Fuel and electricity sold for use in manufacturing tangible
17 personal property in this state.

18 **SECTION 5. Initial applicability.**

19 (1) The treatment of section 77.54 (30) (a) 6. of the statutes first applies to fuel
20 and electricity sold on January 1, 2003.

21

(END)



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 12, 2002

MEMORANDUM

To: Representative Wieckert

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

Subject: Technical Memorandum to 2001 AB-767 (LRB-4629/1)

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 6, 2002

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Brian Pahnke
Department of Revenue

SUBJECT: Technical Memorandum on AB 767: Tax Credit for Sales and Use Taxes Paid on Fuel and Electricity Used in Manufacturing

The Department believes there is a potential for confusion regarding section 77.54 (30)(a)6 of the bill with section 77.54 (2) of the statutes, which exempts fuel and electricity used in manufacturing items for sale. There is no similar requirement in the proposed exemption that the fuel and electricity be used to manufacture items for sale. To avoid confusion, the Department recommends deleting the phrase "but this exemption shall not include fuel and electricity" in section 77.54 (2) and adding "except as provided in subsection (30)(a)6."

If you have any questions regarding this technical memorandum, please contact Pam Walgren at (608) 266-7817.