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 v	ria email: NO							
Pre Top	ic:							
No speci	fic pre topic gi	ven				-		
Topic:								
Tax cred	it for sales and	use taxes paid	on fuel and	electricity us	ed in manufacturing	g		
Instruct	ions:							
See Attac	ched							
 Drafting	g History:	·	<u> </u>				·	
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	Jacketed	Required	
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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

JACKET SLASH 1 FOR ASSEMBLY

Drafting History:

Vers.

Drafted

Reviewed

Typed

Proof

Submitte

Jacketed

Required

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jkreye

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Bila

306 1/9

FE Sent For:

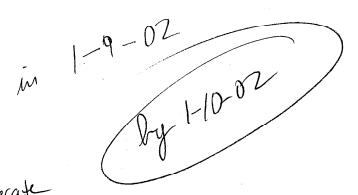
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STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU - LEGAL SECTION (608-266-3561)

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	(Joset for assembly)
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4629/1 LRB-3898/1 JK:wlj;pg Jkmh

2001 BILL



AN ACT to create 71.07 (3s) (c) 7., 71.28 (3) (c) 7., 71.47 (3) (c) 7. and 77.54 (30)

(a) 6. of the statutes; **relating to:** the income and franchise tax credit for sales tax and use tax paid on fuel and electricity consumed in manufacturing.

Analysis by the Legislative Reference Bureau

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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:

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

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71.07 (3s) (c) 7. No credit may be claimed under this subsection for taxable
years that begin after December 31, 2002. Credits that are claimed under this
subsection for taxable years that begin before January 1, 2003, may be carried
forward to taxable years that begin after December 31, 2002.
SECTION 2. 71.28 (3) (c) 7. of the statutes is created to read:
71.28 (3) (c) 7. No credit may be claimed under this subsection for taxable years

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

Section 3. 71.47 (3) (c) 7. of the statutes is created to read:

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

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

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

SECTION 5. Initial applicability.

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

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State of Misconsin

LEGISLATIVE REFERENCE BUREAU

LEGAL SECTION: REFERENCE SECTION: FAX:

(608) 266-3561 (608) 266-0341 (608) 266-5648 100 NORTH HAMILTON STREET P. O. BOX 2037 MADISON, WI 53701-2037

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.