

2001 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB55)

Received: 06/15/2001

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Keckhaver

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax - sales

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

SDC:.....Keckhaver - CN6555,

Topic:

Sales tax rebate and sales tax exemption for digital broadcasting equipment

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 06/17/2001	jdye 06/17/2001	kfollet 06/17/2001	_____	lrb docadmin 06/17/2001		

FE Sent For:

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1/?	jkreye	1/17 JW	kj can	kj/self 6/17			

FE Sent For:

<END>

yes

06/14/2001 09:47 PM

Agency: Revenue

caucus number 6555

duplicate flag:

duplicate with:

Other reference numbers:

LFB Sum #:

FM 1550

bill number/amendment number:

LRB draft #

LRB P-draft:

other notes

Description2: Create sales tax rebate and exemption for digital broadcast equipment. No funding in this biennium

drafting instructions:

more instructions:

Agency: Revenue

Number of Amendments: 1

JK

Sales Tax Rebate and Exemption for Digital Broadcasting Equipment

CN 6555

Agency: DOR

Description: Incorporates provisions of JFC Motion # 1550; Creates sales tax rebate and exemption for digital broadcasting equipment. Provides a rebate of the sales tax paid on purchases of digital broadcasting equipment by radio and television stations during the period July 1, 2001, through June 30, 2003, with rebates to be paid by November 30, 2003; and (2) creates a sales tax exemption for television and radio stations' purchases of digital broadcasting equipment, effective July 1, 2003.

Fiscal Effect: ~~\$13,000 in state fiscal year 2002-3 for contract programmers to develop~~ the form on which broadcasters would submit rebate claims; and (b) \$5,200 in state FY 2003-04 for processing costs, including LTE salaries and mailing costs. However, no administrative funding would be provided under the motion. (Fiscal effect of rebate and exemption would come in 2003-05 biennium)

JFC Motion # 1550

Senator Burke
Senator Darling

GENERAL FUND TAXES

Sales Tax Rebate and Exemption for Purchases of Digital Broadcasting Equipment

Motion:

Move to: (1) provide a rebate of the sales tax paid on purchases of digital broadcasting equipment by radio and television stations during the period July 1, 2001, through June 30, 2003, with rebates to be paid by November 30, 2003; and (2) create a sales tax exemption for television and radio stations' purchases of digital broadcasting equipment, effectively July 1, 2003.

Note:

Under current law, purchases of broadcast equipment by television and radio stations are subject to the sales and use tax.

This motion would provide a rebate of the sales tax paid on purchases of digital broadcasting equipment by radio and television stations during the period July 1, 2001, through June 30, 2003, which would be payable after July 1, 2003, but not later than November 30, 2003. Effective July 1, 2003, such purchases would be exempt from the sales tax.

Rebates under his motion would not be processed and paid until the 2003-04 state fiscal year. Therefore, no revenue loss is associated with the rebate during the 2001-03 biennium. When rebates are issued for the period July 1, 2001 through June 30, 2003, it is estimated that they will total \$3.5 million. Rebates for television-related equipment are anticipated to account for this entire amount, as standards for digital radio transmission have not been adopted by the Federal Communications Commission and are not expected to be finalized until late summer 2002, at the earliest.

Revenue losses to the general fund associated with the sales tax exemption created by this motion are estimated as follows: (a) for television stations, \$735,000 per year during fiscal years 2003-04 through 2005-06; and (b) for radio stations, \$1.8 million total during fiscal years 2003-04 through 2008-09. For radio, the timing of revenue losses in individual fiscal years is unknown at this time.

The Department of Revenue indicates that it would incur the following costs associated with implementing the sales tax rebate: (a) \$13,000 in state fiscal year 2002-03 for contract programmers to develop the form on which broadcasters would submit rebate claims; and (b) \$5,200 in state fiscal year 2003-04 for processing costs, including LTE salaries and mailing costs. However, no administrative funding would be provided under the motion.

Motion # 1550



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1011/1

JK:.....

JLPMR

SDC:.....Keckhaver – CN6555, Sales tax rebate and sales tax exemption for digital broadcasting equipment

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT

TO SENATE SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

m 6-16-01

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 276, line 1: after that line insert:

3 “(an) Onetime rebate of sales tax paid
4 for digital broadcasting equip-
5 ment

GPR S -0- -0-”.

6 2. Page 406, line 9: after that line insert:

7 “SECTION 931m. 20.835 (2) (an) of the statutes is created to read:

8 20.835 (2) (an) *Onetime rebate of sales tax paid for digital broadcasting*
9 *equipment.* A sum sufficient to pay the aggregate claims under s. 77.65.”.

1 **3.** Page 847, line 15: after that line insert:

2 “SECTION 2246s. 77.54 (46)^X of the statutes is created to read:

3 77.54 (46) The gross receipts from the sale of and the[✓] storage, use, or other
4 consumption of digital broadcasting equipment purchased and used by a radio or
5 television station.

6 SECTION 2246v. 77.65^X of the statutes is created to read:

7 **77.65 Onetime rebate of sales tax paid for digital broadcasting**
8 **equipment.** (1) DEFINITIONS. In this[✓] section:

9 (a) “Claimant” means a sole proprietorship, a partnership, a limited liability
10 company, or a corporation that files a claim under this[✓] section.

11 (b) “Department” means the[✓] department of revenue.

12 (2) CLAIMS.[✓] A claimant may claim a rebate under this section[✓] in an amount
13 equal to the amount of the tax imposed under s. 77.52 or 77.53[✓] that the claimant paid
14 beginning on July 1, 2001, and ending on June 30, 2003,[✓] on the purchase of digital
15 broadcasting equipment that the claimant uses in the operation of a radio or
16 television station. The claimant shall claim the rebate on a form prescribed by the
17 department and shall submit the form to the department no earlier than July 1,
18 2003,[✓] and no later than November 1, 2003.

19 (3) PAYMENT.[✓] The department shall certify the amount of the rebate for which
20 the claimant is eligible to the[✓] department of administration for payment to the
21 claimant by check, share draft,[↓] or other draft paid from the appropriation under s.
22 20.835 (2) (an)[✓] no later than November 30, 2003.

1 (4) LIMITATION. If a claimant who is eligible to claim a rebate under this section
2 does not submit a claim to the department, as provided under sub. (2), by November
3 1, 2003, the claimant's right to the rebate lapses.

4 (5) SUNSET. This section does not apply after November 30, 2003."

5 4. Page 1423, line ¹⁵~~19~~: after that line insert:

6 "(2^d) DIGITAL BROADCASTING EQUIPMENT. The treatment of section 77.54 (46) of
7 the statutes takes effect on July 1, 2003."

8 (END)

SDC:.....Keckhaver – CN6555, Sales tax rebate and sales tax exemption for digital broadcasting equipment

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