2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Wanted: Soon For: Assembly Republican Caucus					Received By: kahlepj			
				Identical to LRB:				
					By/Representing: Emerson			
This file	This file may be shown to any legislator: NO				Drafter: kahlepj			
May Co	ontact:				Addl. Drafters:			
Subject: Econ. Development - misc.					Extra Copies:			
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Topic:								
Decreas	se amounts appr	opriated to Wis	sconsin deve	lopment fund	[
Instruc	ctions:							
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Draftir	ng History:					·		
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	Jacketed	Required	
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/2	kahlepj	wjackson	rschluet	·	lrb_docadmin			

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FE Sent For:

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Lapse to general fund from Wisconsin development fund				
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This amendment would permit a homestead credit claimant who sells homestead/business property on a installment basis, to offset the interest expense on the part of the loan used to purchase a new homestead (but not on any part of a loan used to purchase a business or rental portion of property) against the interest income on the sale

RJK

- 23. Lapse to general fund dollars in WDF (\$6.2 million).
- ρρίο 24. Eliminate public employee length-of-service payments (\$5 million).
 - Compensation Reserves: enact the equivalent of across-the-board increases of 0% in 2001-02 and 2% in 2002-03, respectively, for public employees (\$18.5 million).
 - 26. Direct Department of Employment Relations, Retirement Research Committee and the Department of Employee Trust Funds to study and make a recommendation to the Joint Committee on Employment Relations by January 1, 2002, to allow state employees with 25 or more years of service to retain their accumulated sick leave for conversion to health insurance premiums upon retirement.
- Utilize a portion of the energy conservation fund of public benefits fees collected to, instead, pay nursing home utility bills (\$60 million). Delay, until 7/1/03, elimination of this portion of the fee.
- 150 28. Utilize \$3 million in Tribal Gaming dollars to fund previously-adopted ethanol production incentive program. In addition, lapse \$1 million in Tribal Gaming dollars to the Wisconsin Development Fund.
 - 29. Lapse to general fund remaining dollars in WATF (\$1.2 million).
- Nilwaukee School Choice: Create a sum sufficient appropriation for "school choice hold harmless payment" (\$7.0 million). Direct DPI to inform school districts which are "winners" that they are, in fact, winners.
 - 31. Eliminate aid four-year-old kindergarten in the second year. (\$22 million) (At the request of Representative Grothman.)
 - 32. Reverse up to \$115 million of school aid payment delay. In addition, realize savings of \$700,000 in interest which no longer would have to be paid.
- 27-33. Lapse SEG and PR pension savings dollars (\$22.1 million) to general fund.
- 34. Asset test for family Medicaid. The Health Care package removed a JCF provision which eliminated the MA asset test. This violates the terms of Wisconsin's BadgerCare waiver and, as a result, Wisconsin will lose the ability to claim the enhanced federal reimbursement. \$736,000 GPR to reverse back to JCF's position.
 - 35. Various Transportation Fund changes:

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- Lapse pension savings (\$3.6 million SEG);
- Require DOT to submit a plan to JCF to lapse \$600K SEG, each year;
- Limit provision of free identification cards to those who demonstrate a hardship which precludes their paying for an identification card, to be determined by DOT rule; and
- In '04-'05, transfer sales tax on vehicles to Transportation Fund.
- 36. Direct creation of a Legislative Council study committee on school financing.
- MGG 37. Direct 100 percent of hunting and fishing license fees to be utilized for conservation purposes, as defined by JCF.
- 38. Cap Universal Service Fund at \$4.0 million, per year, beginning in '03-'04.

U.S. treasury bills prior to the date of filing the appeal or objection. Additional language may be needed to ensure that the interest rate is based on the lesser of 10% or the yield on treasury bills if the refund is a recovery of unlawful taxes (s. 74.35) or a claim on an excessive assessment (s. 74.37).

Specify that these provisions would first apply to refunds of taxes that were based on assessments as of January 1, 2001. As a result, the state would not incur any interest cost on manufacturing refunds during the 2001-03 biennium. Under current law, municipalities are required to pay refunds no later than January 31 of the year after the claim, if the taxpayer files the claim on or before November 1 following the date on which the appeal is decided. If the claim if filed after November 1, the claim must be paid by the second of January 31 after the claim is filed.

19. Exempt, retroactively, from the use tax advertising materials printed outside Wisconsin that are shipped by the printer directly to the purchaser's Wisconsin customers. (At the request of Representative Kaufert.)

34

This provision clarifies the application of the state's sales tax to materials printed out of state by printers with a Wisconsin nexus. This motion would prevent DOR from assessing a sales or use tax on printers for material printed out of state and shipped directly to Wisconsin customers. This provision would not impact the sales tax on material printed in Wisconsin. In the past, the DOR has attempted to collect a use tax from catalog publishers (e.g., JC Penny), but the courts consistently ruled that the publishers did not exercise sufficient control over the material printed out of state to impose the tax. Having failed to tax the publishers, the DOR began assessing the printers in 1992. The DOR has never collected this revenue, either from the publishers or the printers (the printers are challenging the DOR's position, just as the publishers did 25 years ago).

Clarifying the law will help Wisconsin printers with multi-state operations, such as Quad Graphics and Banta. If the DOR is successful with its interpretation of the law, large catalog publishers will have a strong incentive to take their business to a printer that has no nexus with Wisconsin and thereby avoid paying any tax. This provision is supported by the Printing Industries of Wisconsin.

20. Specify that the sales tax exemption for the sale of trucks which haul property for hire also applies to trucks of contract carriers who haul "valueless property". (At the request of Representative Olsen.)

JK

Under current law, the sale of trucks to those who haul property for hire is exempt. The Department of Revenue, however, interprets "property" to mean something of value and, therefore, trucks that haul "valueless" property, such as refuse, are not eligible for the sales tax exemption.

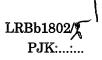
The provision specifies that the sales tax exemption apply to trucks that haul property for hire without value such as waste material, snow, refuse or garbage.

- 21. Direct that the mechanics personnel of the DOA fleet and the UW fleet be combined. (At the request of Representative J. Fitzgerald.)
 - 22. Permit a homestead credit claimant who sells homestead/business property on an installment basis, to offset the interest expense on the part of the loan used to purchase a new homestead against the interest income on the sale. (At the request of Representative Ainsworth.)

For homestead credit purposes, "income" includes interest income received from the sale of property, including business, farm or rental property, on an installment basis. A claimant who sells this type of property, when his or her homestead is part of the property, and then must borrow money to purchase a replacement homestead, must include the interest income from the sale but cannot offset it by the interest expense on the loan to purchase the new homestead.



State of Misconsin 2001 - 2002 LEGISLATURE



WLJ

ARC:.....Emerson - AM114, Lapse to general fund from Wisconsin development fund

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55



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

1. Page 1383, line 22: after that line insert:

"(44) DEVELOPMENT FUND LAPSE. Notwithstanding section 20.001 (3) (b) of the statutes, on June 30, 2002, there is lapsed to the general fund \$6,200,000 from the appropriation account of the department of commerce under section 20.143 (1) (c) of the statutes, as affected by the acts of 2001."

(END)

D-more

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb1802/?dn PJK:...:... WLi

I lapsed the funds at the end of the first fiscal year because the unencumbered balance in the appropriation account "lapses" to the general fund at the end of the second fiscal year anyway.

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266–2682

E-mail: pam.kahler@legis.state.wi.us

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRBb1802/1dn PJK:wlj:rs

June 26, 2001

I lapsed the funds at the end of the first fiscal year because the unencumbered balance in the appropriation account "lapses" to the general fund at the end of the second fiscal year anyway.

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266–2682 E-mail: pam.kahler@legis.state.wi.us

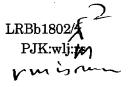
STATE OF WISCONSIN – LEGISLATIVE REFERENCE BUREAU – LEGAL SECTION (608–266–3561)

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State of Misconsin 2001 - 2002 LEGISLATURE



ARC:.....Emerson - AM114, Lapse to general fund from Wisconsin development fund

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

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

2	1. Page 1383, line 22: after that line insert:
3	"(4mn) DEVELOPMENT FUND LAPSE. Notwithstanding section 20.001 (3) (b) of the
4	statutes, on June 30, 2002, there is lapsed to the general fund \$6,200,000 from the
5	appropriation account of the department of commerce under section 20.143 (1) (c) of
6	the statutes, as affected by the acts of 2001.".
7	(END)

2001

AMENDMENTS

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In the component bar, for a "regular" amendment item: For the item text, execute:
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#. Page, line: in(de)crease the dollar amount for fiscal year 2001-02
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[purposes] for which the appropriation is made] [to ./crease funding for
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]*.
In the component bar, for a "frozen" amendment item (used in amendments to amendments): For the item text, execute: create → item: → afterline [or the applicable item] For the "frozen" item text, execute: create → item: → frz: → m: → \$inc-dec
#. Page, line:
Page, line: in(de)crease the dollar amount for fiscal year 2001–02
by \$, , , , and in(de)crease the dollar amount for fiscal year
2002-03 by \$
[purposes] for which the appropriation is madel tocrease funding for
]*.
* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.

END)

[rev: 8/28/99 2001amdt/inc/dec(fm)]



State of Misconsin 2001 - 2002 LEGISLATURE

LRBb1802/2 PJK:wlj:rs

ARC:.....Emerson - AM114, Decrease amounts appropriated to Wisconsin development fund

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

1	At the locations indicated, amend the substitute amendment as follows:
2	f 1. Page 113, line 14: decrease the dollar amount for fiscal year 2001–02 by
3	\$4,200,000 and decrease the dollar amount for fiscal year 2002-03 by \$2,000,000 to
4	decrease funding for the purposes for which the appropriation is made.
5	(END)