

BILL HISTORY FOR ASSEMBLY BILL 769 (LRB -4786)

An Act to create 77.51 (4) (b) 3m., 77.51 (15) (b) 4m. and 218.0171 (2) (cq) of the statutes; relating to: sales tax on motor vehicles purchased after a consumer receives a refund under a new motor vehicle warranty. (FE)

2002

01-31.	A.	Introduced by Representatives Ladwig, Schneider, Stone, Albers, Bies, Freese, Gronemus, Gunderson, Hundertmark, Johnsrud, Krawczyk, Musser, Nass, Ott, Owens, Petrowski, Pettis, Powers, Skindrud, Sykora and Turner ; cosponsored by Senator Plache .	
01-31.	A.	Read first time and referred to committee on Rules	619
02-05.	A.	Placed on calendar 2-7-2002 by committee on Rules.	
02-07.	A.	Read a second time	650
02-07.	A.	Assembly amendment 1 offered by Representatives Schooff and Wood (LRB a1253)	650
02-07.	A.	Point of order that Assembly amendment 1 not germane well taken	650
02-07.	A.	Decision of the Chair appealed	650
02-07.	A.	Decision of the Chair upheld, Ayes 53, Noes 41	650
02-07.	A.	Assembly amendment 2 offered by Representatives Schooff and Wood (LRB a1254)	650
02-07.	A.	Point of order that Assembly amendment 2 not germane well taken	650
02-07.	A.	Decision of the Chair appealed	650
02-07.	A.	Decision of the Chair upheld, Ayes 48, Noes 36	651
02-07.	A.	Ordered to a third reading	651
02-07.	A.	Rules suspended	651
02-07.	A.	Read a third time and passed , Ayes 92, Noes 0	651
02-07.	A.	Ordered immediately messaged	651
02-13.	S.	Received from Assembly	567
02-13.	S.	Read first time and referred to committee on Universities, Housing, and Government Operations	568
02-15.	S.	Fiscal estimate received.	
02-19.	S.	Executive action taken.	
02-20.	S.	Report concurrence recommended by committee on Universities, Housing, and Government Operations, Ayes 7, Noes 0	574
02-20.	S.	Available for scheduling.	
02-20.	S.	Placed on calendar 2-26-2002 by committee on Senate Organization.	
02-26.	S.	Read a second time	587
02-26.	S.	Referred to joint committee on Finance	587
02-26.	S.	Withdrawn from joint committee on Finance and taken up	587
02-26.	S.	Ordered to a third reading	587
02-26.	S.	Rules suspended	587
02-26.	S.	Read a third time and concurred in , Ayes 33, Noes 0	588
02-26.	S.	Ordered immediately messaged	588
02-26.	A.	Received from Senate concurred in.	

**2001
ENROLLED BILL**

01en A B-769

ADOPTED DOCUMENTS:

Orig Engr SubAmdt

01-478611

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Sales tax on refunds under a new motor vehicle warranty

2/27/02
Date

[Signature]
Enrolling Drafter

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2001 ASSEMBLY BILL 769

January 31, 2002 – Introduced by Representatives LADWIG, SCHNEIDER, STONE, ALBERS, BIES, FREESE, GRONEMUS, GUNDERSON, HUNDERTMARK, JOHNSRUD, KRAWCZYK, MUSSER, NASS, OTT, OWENS, PETROWSKI, PETTIS, POWERS, SKINDRUD, SYKORA and TURNER, cosponsored by Senator PLACHE. Referred to Committee on Rules.

1 **AN ACT to create** 77.51 (4) (b) 3m., 77.51 (15) (b) 4m. and 218.0171 (2) (cq) of the
2 statutes; **relating to:** sales tax on motor vehicles purchased after a consumer
3 receives a refund under a new motor vehicle warranty.

Analysis by the Legislative Reference Bureau

Currently, the law governing repair, replacement, and refund under a new motor vehicle warranty, commonly called the “lemon law,” provides remedies for a person who purchases or leases a motor vehicle, or who otherwise may enforce a motor vehicle warranty (a consumer). Under the lemon law, if a motor vehicle cannot be repaired, the manufacturer must either replace the vehicle or give the consumer, and any holder of a perfected security interest in the consumer’s vehicle, a full refund. A full refund includes, in addition to the purchase price and other charges, any sales taxes paid by the consumer at the point of sale. The sales tax is calculated at 5% of the difference between the purchase price of the vehicle and any vehicle the consumer traded in when he or she purchased the vehicle.

Under current law, if a consumer receives a refund under the lemon law and subsequently purchases a motor vehicle to replace the vehicle for which he or she received a refund, the person pays a sales tax based on the full purchase price of the replacement vehicle.

This bill requires a manufacturer, upon payment of a refund under the lemon law, to provide a written statement to the consumer that includes the trade-in-value of the vehicle for which the consumer received a refund and the date on which the manufacturer issued the lemon law refund. Under the bill, a consumer who makes

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a subsequent purchase of a motor vehicle and presents the written statement to a motor vehicle dealer within 60 days of the date on which the manufacturer issued the refund pays sales tax only on that part of the purchase price that is the difference between the trade-in value of the original vehicle and the replacement vehicle.

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:

1 **SECTION 1.** 77.51 (4) (b) 3m. of the statutes is created to read:

2 77.51 (4) (b) 3m. If a person who purchases a motor vehicle presents a
3 statement issued under s. 218.0171 (2) (cq) to the seller at the time of purchase, and
4 the person presents the statement within 60 days from the date of receiving a refund
5 under s. 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued
6 under s. 218.0171 (2) (cq), but not to exceed the gross receipts from the sale of the
7 motor vehicle. This subdivision applies only to the first motor vehicle purchased by
8 a person after receiving a refund under s. 218.0171 (2) (b) 2. b.

9 **SECTION 2.** 77.51 (15) (b) 4m. of the statutes is created to read:

10 77.51 (15) (b) 4m. If a person who purchases a motor vehicle presents a
11 statement issued under s. 218.0171 (2) (cq) to the seller at the time of purchase, and
12 the person presents the statement within 60 days from the date of receiving a refund
13 under s. 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued
14 under s. 218.0171 (2) (cq), but not to exceed the sales price of the motor vehicle. This
15 subdivision applies only to the first motor vehicle purchased by a person after
16 receiving a refund under s. 218.0171 (2) (b) 2. b.

17 **SECTION 3.** 218.0171 (2) (cq) of the statutes is created to read:

18 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
19 the manufacturer shall provide to the consumer a written statement that specifies

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1 the trade-in amount previously applied under s. 77.51 (4) (b) 3. or 3m. or (15) (b) 4.
2 or 4m. toward the sales price of the motor vehicle having the nonconformity and the
3 date on which the manufacturer provided the refund.

4 **SECTION 4. Initial applicability.**

5 (1) The treatment of section 218.0171 (2) (cq) of the statutes first applies to
6 refunds that are made on the effective date of this subsection.

7 **SECTION 5. Effective date.**

8 (1) This act takes effect on the first day of the 2nd month beginning after
9 publication.

10

(END)