

Assembly Hearing Slip

(please print plainly)

Date: 11-25-07

Bill No. AB 491

Or Subject Sub Amendment

Name Tom Howard

Street Address or Route Number 502 Grand Canyon

City, State, ZIP Code Madison, WI

E-Mail Address _____

Organization You Represent WI Motor Vehicle Assoc.

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: Nov 28, 2007

Bill No. AB 491 (Sub)

Or Subject _____

Name MARY ANN GSKARD

Street Address or Route Number 150 E Gilman St

City, State, ZIP Code MADISON, WI 53705

E-Mail Address _____

Organization You Represent WI Auto + Truck Dealers ASSN.

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

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Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 11-28-07

Bill No. AB 491

Or Subject _____

Name Tom Orsaka DOT

Street Address or Route Number _____

City, State, ZIP Code _____

E-Mail Address _____

Organization You Represent _____

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input checked="" type="checkbox"/>

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Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 11.28.01

Bill No. AB 491

Or
Subject Sub Amendment

Name Marr Bentley

Street Address or Route Number P.O. Box 1532

City, State, ZIP Code Medford VT.

E-Mail Address Mbentley@comcast.net

Organization You Represent FASHL, Inc

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 11.28.01

Bill No. AB 491

Or
Subject Sub Amendment

Name Pat McConnell

Street Address or Route Number _____

City, State, ZIP Code Green Lake VT.

E-Mail Address _____

Organization You Represent FASHL, Inc

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 6-28-01

Bill No. AB 491

Or
Subject _____

Name Jeff Stone

Street Address or Route Number _____

City, State, ZIP Code _____

E-Mail Address _____

Organization You Represent 82nd Assembly Dist.

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Trailers except if used
to haul trailers.

Material for trucks
also exempt

435 K
usually
on road

491

Lim Det of semi trailers
trucks to haul worthless
items & remain exempt

walking
↓
conveyor
belt

semi trailer
40' long w/walking
floor built ^{common} / roof
carrier used to
haul worthless item

Exclusive use for hauling
from transfer station to
disposed site. (would exc
garbage truck)

Ways & Means Committee
Preliminary Report on Referred Legislation
December 4, 2001

Bill: **AB 491**
Author: **Stone**
Date Referred: **9-24-2001**
Public Hearing: **11-14-2001**
Executive Session: **N/A**

Relating Clause: **creating definitions for common and contract carriers for sales tax and use tax purposes.**

Comments from Department of Revenue-

Regarding the original fiscal estimate of \$3million: Talking with Blair Krueger he indicated that yes the fiscal estimate would be much smaller if the amendment is drafted to reflect the author's intent, exactly how much lower he could not say. Further, he also said that those who claim that DOR is not collecting the tax now are deliberately trying to mislead legislators. Revenue is collecting the tax and that collection is supported by the courts.

DOR will work with the legislature to make this work if that is the legislature's desire, but the Department is not exactly enthusiastic to make this change. Neither is the Administration.

Comments from the Author-

Author's reasoning for introducing legislation:
comments.

Author's intent:
To exempt carriers hauling valueless material..

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Notes-

This legislation was first referred to the Assembly Committee on Transportation to allow the author to hold a hearing on his bill in the committee

he chairs. The legislation was then withdrawn from the committee and referred to Ways & Means.

The sub provided and introduced by the author (ASA 1) serves to limit what equipment qualifies. The author is to request a FE on the ASA 1. This bill is essentially a bill for one company (FLASH Inc.), which owns the vast majority of the equipment that would qualify under this bill as amended.

A concern was raised on the issue that there is no definition of "part-time" as it relates to this bill.

Another concern brought forward at the committee hearing pertains to the possibility of these trucks which haul waste could also haul material of value.



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF RESEARCH AND POLICY

• 2135 RIMROCK ROAD, 6-73 • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
• PHONE (608) 266-2700 • FAX (608) 266-8704
• <http://www.dor.state.wi.us>

M E M O R A N D U M

November 26, 2001

TO: Representative Jeff Stone

FROM: Blair Kruger
Division of Research and Policy

SUBJECT: Fiscal Effect of Exempting from Sales and Use Tax Walking Floor Trailers and Related Equipment

You asked for an estimate of the fiscal effect of the exemption based on the Senate substitute amendment language, WLC 0225/1, for SB 273 under which walking floor trailers and related equipment used to haul garbage and other waste materials would be exempted from sales and use tax.

The exemption under WLC 0225/1 would create sec. 77.54(5m), Wis. Stats., and read as follows:

77.54 (5m) (intro.) The gross receipts from the sale of and the storage, use, or other consumption of:

- (a) Semitrailers, as defined in s. 340.01 (57), that are at least 40 feet long, equipped with a walking floor, and use for any of the following:
 1. Exclusively and directly to haul for hire, as defined in s. 194.01 (4), garbage, refuse, sludge, or other materials that have no value, from a transfer station to a disposal site.
 2. Part of the time to haul for hire, as defined in s. 194.01 (4), garbage, refuse, sludge, or other materials that have no value, from a transfer station to a disposal site and the remainder of the time in use as common or contract carriers.
- (b) Road tractors, as defined in s. 340.01 (53), or truck tractors, as defined in s. 340.01 (73), that are used for any of the following:
 1. Exclusively and directly to haul semitrailers under par. (a).
 2. Part of the time to haul semitrailers under par. (a) and the remainder of the time in use as common or contract carriers.

- (c) Accessories, attachments, parts, supplies, and materials for the vehicles described under pars. (a) and (b), if the accessories, attachments, parts, supplies, and materials are consumed by or remain with such vehicles.

Based on discussions with manufacturers, walking floor trailers used for hauling solid waste range in price from about \$45,000 to \$65,000. In addition, many users of walking floor trailers trade them in every 5 years; these trailers have a trade-in value of about \$15,000 to \$20,000. Also, walking floor trailers are nearly maintenance free. We assume a walking floor trailer has a net cost of \$35,000 (\$55,000 new less \$20,000 trade in) and is traded in every five years.

Based on discussions with Wisconsin tractor-truck dealers, a new Class 8 semi-tractor costs about \$80,000. Also, original owners typically keep such trucks about 5-6 years before trading them in. The trade-in value of such a truck is about 25-30% of original cost or \$20,000 to \$24,000. Maintenance costs of such a truck are estimated at an average of about \$7,000 per year for the first 5 years.

According to Wisconsin solid waste industry spokesmen, there are about 100 walking floor trailers currently used for hauling solid waste in Wisconsin. Assuming a 5-year life cycle for both walking floor trailers and semi-tractors, 20 (100/5) tractor-trailer combination units, each costing about \$100,000 after trade in, would be purchased each year. The taxable value of such sales would be about \$2 million and so the tax reduction under the proposal would be about \$100,000 for tractors and trailers.

Assuming the entire \$7,000 in maintenance costs are subject to sales tax taxable maintenance costs would be about \$700,000 (\$7,000 x 100) per year and so the tax reduction would be about \$35,000. The total tax reduction under the proposal, based on the foregoing assumptions, would be about \$135,000 and is summarized in the table below.

	Walking Floor Trailer	Class 8 Semi-Tractor	TOTAL
Original Cost/Unit	\$55,000	\$80,000	\$135,000
Trade In Value/Unit	<u>15,000</u>	<u>20,000</u>	<u>35,000</u>
Taxable Value/Unit	\$40,000	\$60,000	\$100,000
Number Units Purchased Each Year			20
Total Taxable Value			\$2,000,000
Annual Tax Change			<u>-\$100,000</u>
Maintenance/Unit	\$0	\$7,000	\$7,000
Number Units Purchased Each Year			100
Taxable Value			\$700,000
Annual Tax Change			<u>-\$35,000</u>
TOTAL TAX CHANGE			<u>-\$135,000</u>

BK:skr

t:\memo\bk\stone.d26.doc

cc: Brian Pahnke
Dennis Collier
Vicki Gibbons
Mike Hinnendael
Sherrie Gates-Hendrix

Nowlan, Andrew

From: Rongstad, Tami
Sent: Thursday, January 03, 2002 10:48 AM
To: Nowlan, Andrew
Subject: RE: ab 491

The 16th will be okay-dokey with us :)

I know the feeling--it's hard to get back in the swing after a nice vacation. :)

-----Original Message-----

From: Nowlan, Andrew
Sent: Thursday, January 03, 2002 10:47 AM
To: Rongstad, Tami
Subject: ab 491

Hi Tami,

I see now if I had just looked a little closer at what you sent me I would have seen "1" on the sub and that the FE was a new one! Ha! I guess I need to get with the program after that holiday break! Thanks again. We will be placing 491 on an exec for Jan 16th if this date is okay with you... Let me know.

Andrew Nowlan
Rep. Michael Lehman's Office
Andrew.Nowlan@Legis.State.WI.US

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number **01-3729/1** Introduction Number **AB-491**

Subject
 Create definition for common and contract carriers for sales tax and use tax purposes

Fiscal Effect

State:
 No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues
 Decrease Existing Appropriations Decrease Existing Revenues
 Create New Appropriations
 Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:
 No Local Government Costs
 Indeterminate
 1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory
 5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others Baseball & football districts
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

Agency/Prepared By DOR/ Blair Kruger (608) 266-1310	Authorized Signature Brian Pahnke (608) 266-2700	Date 10/8/01
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Fiscal Estimate Narratives

DOR 10/9/01

LRB Number	01-3729/1	Introduction Number	AB-491	Estimate Type	Original
Subject					
Create definition for common and contract carriers for sales tax and use tax purposes					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the terms "common carrier" and "contract carrier" are not defined for sales tax and use tax purposes.

Under the bill, "common carrier" is defined as a person who, for hire, transports passengers by motor vehicle between fixed points and over regular routes upon public highways or who, for hire, transports property, including valueless property, between fixed points and over regular or irregular routes upon public highways. Also under the bill, "contract carrier" is defined as a person who, for hire, transports property, including valueless property, by motor vehicle over regular or irregular routes upon public highways.

The bill has the effect of exempting from sales and use taxes motor vehicles, accessories, parts, supplies and materials purchased by waste management companies and other transporters of valueless property. The bill's fiscal effect is the decrease in sales and use taxes on motor vehicles, accessories, parts, supplies and materials purchased by such companies.

According to the author, the intent of the bill is to exempt vehicles, accessories, parts, supplies and materials sold to common or contract carriers when the vehicles are used to haul valueless property. The bill is not intended to exempt vehicles or other items sold to waste management companies. If the bill is amended to achieve the author's intent, the revenue loss to the state would be much smaller than the \$2.3 million figure indicated below.

Data on the value of motor vehicles, accessories, parts, supplies and materials purchased by waste management companies and other transporters of valueless property in Wisconsin are unavailable. However, based on data in US Industry and Trade Outlook 2000, published by the US Department of Commerce/International Trade Association and McGraw-Hill, total US sales of waste management equipment are expected to be \$10.1 billion in FY02. Wisconsin's gross state product was 1.8% of the US total in 1999; assuming waste management equipment expenditures are distributed the same as gross state product, Wisconsin waste management companies would purchase about \$182 million (\$10.1 billion x 1.8%) of waste management equipment in FY02.

Wisconsin's waste industry consists of public and private entities; only motor vehicles and related equipment purchased by private waste companies would be affected under the bill. Assuming the bill would result in the exemption of one-quarter of total waste industry expenditures, state sales and use taxes are estimated to decrease by about \$2.3 million (\$182 million x 25% x 5%) in FY02.

County, baseball park district and football stadium district sales taxes are expected to be 7.064% of state sales taxes in FY02. Thus, these local taxes are estimated to decrease by about \$200,000 (\$2.3 million x 7.064%) under the bill.

The bill has no administrative costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3729/1		Introduction Number AB-491	
Subject			
Create definition for common and contract carriers for sales tax and use tax purposes			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-2,300,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-2,300,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-2,300,000	\$-200,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310		Brian Pahnke (608) 266-2700	10/8/01

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3729/1	Introduction Number AB-491
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Subject
 Create definition for common and contract carriers for sales tax and use tax purposes

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others Baseball & football districts
 School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Blair Kruger (608) 266-1310	Authorized Signature Brian Pahnke (608) 266-2700	Date 10/8/01
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DOR 10/9/01

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Detailed Estimate of Annual Fiscal Effect

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II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-2,300,000
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-2,300,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-2,300,000	\$-200,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Blair Kruger (608) 266-1310		Brian Pahnke (608) 266-2700	10/8/01