

**2003 DRAFTING REQUEST**

**Bill**

Received: **11/13/2002**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Frank Lasee (608) 266-9870**

By/Representing: **Lance**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters: **jkreye**

Subject: **Tax - sales**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Lasee@legis.state.wi.us**

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Sales and use tax exemption for certain solar or wind powered products

---

**Instructions:**

Same as 2001 AB 639 (LRB -2353/1)

---

**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>
/?	mshovers 11/14/2002	jdyer 11/15/2002		_____			S&L Tax
/1			jfrantze 11/18/2002	_____	lemery 11/18/2002		S&L Tax
/2	mshovers	jdyer	jfrantze	_____	amentkow		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	11/18/2002	11/18/2002	11/18/2002	_____	11/18/2002		Tax
/3	mshovers 11/17/2003	jdyer 11/18/2003	jfrantze 11/18/2003	_____	lnorthro 11/18/2003	lnorthro 01/14/2004	

FE Sent For:

<END>

**2003 DRAFTING REQUEST**

**Bill**

Received: **11/13/2002**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Frank Lasee (608) 266-9870**

By/Representing: **Lance**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters: **jkreye**

Subject: **Tax - sales**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Lasee@legis.state.wi.us**

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Sales and use tax exemption for certain solar or wind powered products

---

**Instructions:**

Same as 2001 AB 639 (LRB -2353/1)

---

**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>
/?	mshovers 11/14/2002	jdyer 11/15/2002		_____			S&L Tax
/1			jfrantze 11/18/2002	_____	lemery 11/18/2002		S&L Tax
/2	mshovers	jdyer	jfrantze	_____	amentkow		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	11/18/2002	11/18/2002	11/18/2002 _____		11/18/2002		Tax
/3	mshovers 11/17/2003	jdye 11/18/2003	jfrantze 11/18/2003 _____		lnorthro 11/18/2003		

FE Sent For:

<END>

**2003 DRAFTING REQUEST**

**Bill**

Received: 11/13/2002

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Frank Lasee (608) 266-9870**

By/Representing: **Lance**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters: **JK**

Subject: **Tax - sales**

Extra Copies: **(10)**

Submit via email: **YES**

Requester's email: **Rep.Lasee@legis.state.wi.us**

Carbon copy (CC:) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Sales and use tax exemption for certain solar or wind powered products

**Instructions:**

Same as 2001 AB 639 (LRB -2353/1)

**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>
/?	mshovers 11/14/2002	jdye 11/15/2002					S&L Tax
/1			jfrantze 11/18/2002		lemery 11/18/2002		S&L Tax
/2	mshovers	jdye	jfrantze		amentkow		

*JK 11/18* *J/R 11/18*

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	11/18/2002	11/18/2002	11/18/2002	_____	11/18/2002		

FE Sent For:

**<END>**

2003 DRAFTING REQUEST

Bill

Received: 11/13/2002

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Frank Lasee (608) 266-9870

By/Representing: Lance

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax - sales

Extra Copies: JK

Submit via email: YES

Requester's email: Rep.Lasee@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for certain solar or wind powered products

Instructions:

Same as 2001 AB 639 (LRB -2353/1)

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>
/?	mshovers 11/14/2002	jdyer 11/15/2002					S&L Tax
/1	12 MES 11/18/02	12 11/18/02	jfrantze 11/18/2002		lemery 11/18/2002		
			Jo 11/15		Jo/Rs 11/18		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 11/13/2002

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Frank Lasee (608) 266-9870

By/Representing: Lance

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax - sales

Extra Copies: JK

Submit via email: YES

Requester's email: Rep.Lasee@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for certain solar or wind powered products

Instructions:

Same as 2001 AB 639 (LRB -2353/1)

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>
11/13/02	11/14/02		11/18	Self 11/18			
FE Sent For:	11/15/02			<END>			

2003-2004

JLD  
RMR

2003 ~~2001~~ ASSEMBLY BILL 639

November 16, 2001 - Introduced by Representatives F. LASEE, KRAWCZYK, STARZYK, WASSERMAN, MUSSER, BOYLE, GUNDRUM, SYKORA, BLACK, PLOUFF, GRONEMUS, MCCORMICK, FREESE, PETROWSKI, GUNDERSON, SERATTI, COGGS, BOCK, POWERS, JESKEWITZ, REYNOLDS, VRAKAS, LOEFFELHOLZ and JENSEN, cosponsored by Senators HANSEN, GEORGE and WIRCH. Referred to Committee on Energy and Utilities. Referred to Joint survey committee on Tax Exemptions.

[Handwritten initials]

1 AN ACT to create 77.54 (46) of the statutes; relating to: exempting from the sales  
2 tax and the use tax certain products that are solar powered or wind powered.

*Analysis by the Legislative Reference Bureau*

This bill creates a sales tax and a use tax exemption for a product, other than an uninterrupted power source for computers, whose power source is wind energy or direct radiant energy received from the sun if the product produces at least 200 watts of alternating current.

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:*

3  
4

SECTION 1. 77.54 (46) of the statutes is created to read:

77.54 (46) The gross receipts from the sale of and the storage, use, or other consumption of a product whose power source is wind energy or direct radiant energy received from the sun, if the product produces at least 200 watts of alternating

**ASSEMBLY BILL 639**

**SECTION 1**

1 current, except that the exemption under this subsection<sup>✓</sup> does not apply to an  
2 uninterruptible power source that is designed primarily for computers.

3 **SECTION 2. Effective date.**

4 (1) This act takes effect on the first day of the 2nd month beginning after  
5 publication.<sup>✓</sup>

6 (END)

**Shovers, Marc**

---

**From:** Burri, Lance

**Sent:** Friday, November 15, 2002 4:32 PM

**To:** Shovers, Marc

**Subject:** 2001 AB 639

This is the one giving sales and use tax exemptions to solar and wind powered items. LRB 2353/1. Rep. Gronemus made an amendment to include biogas generators last session. We would like to include that in the bill.

Thanks.

Lance Burri

Office of Rep. Frank Lasee

888-534-0002 or 608-266-9870

[lance.burri@legis.state.wi.us](mailto:lance.burri@legis.state.wi.us)

11/18/2002



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0684/2  
MES&JK:jld:jf

*RMP*

2003 BILL

*, or gas generated from anaerobic digestion of animal manure and other agricultural waste,*

*repen*

1 AN ACT to create 77.54 (47) of the statutes; relating to: exempting from the sales  
2 tax and the use tax certain products that are solar powered, *biogas powered,* or wind powered.

**Analysis by the Legislative Reference Bureau**

This bill creates a sales tax and a use tax exemption for a product, other than an uninterruptible power source for computers, whose power source is wind energy or direct radiant energy received from the sun, if the product produces at least 200 watts of alternating current.

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:**

3 SECTION 1. 77.54 (47) of the statutes is created to read:

4 77.54 (47) The gross receipts from the sale of and the storage, use, or other  
5 consumption of a product whose power source is wind energy, or direct radiant energy  
6 received from the sun, if the product produces at least 200 watts of alternating

*IMS 1-6*

**BILL**

1 current, except that the exemption under this subsection does not apply to an  
2 uninterruptible power source that is designed primarily for computers.

3 **SECTION 2. Effective date.**

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

6 (END)

**ASSEMBLY AMENDMENT 1,  
TO 2001 ASSEMBLY BILL 639**

INS 1-6

February 7, 2002 - Offered by Representative GRONEMUS.

1  
2  
3  
4  
5

At the locations indicated, amend the bill as follows:

1. Page 1, line 2: after "solar powered" insert ", biogas powered,"

2. Page 1, line 6: after "sun" insert "or gas generated from anaerobic digestion of animal manure and other agricultural waste"

END (1)



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-0684/2  
MES&JK:jld:jf

*RMA*

2003 BILL

*referred*

1 AN ACT to create 77.54 (47) of the statutes; relating to: exempting from the sales  
2 tax and the use tax certain products that are solar powered, biogas powered, or  
3 wind powered, and the energy that is produced from such products ✓

**Analysis by the Legislative Reference Bureau**

This bill creates a sales tax and a use tax exemption for a product, other than an uninterruptible power source for computers, whose power source is wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units. The bill also

*per day*

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:**

4 SECTION 1. 77.54 (47) of the statutes is created to read:  
5 77.54 (47) (a) The gross receipts from the sale of and the storage, use, or other  
6 consumption of a product whose power source is wind energy, direct radiant energy

→ creates a sales tax and a use tax exemption for electricity or energy produced from such a product that is the sale of and use of

**BILL**

*or less  
sunlight*

1 received from the sun, or gas generated from anaerobic digestion of animal manure  
2 and other agricultural waste, if the product produces at least 200 watts of alternating  
3 current, *or 600 British Thermal units per day*, except that the exemption under this subsection does not apply to an  
4 uninterruptible power source that is designed primarily for computers.

**SECTION 2. Effective date.**

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

*move*

*Except for the sale of electricity or energy that is*  
(b) ~~The gross receipts from the sale of and the~~ <sup>(END)</sup>  
*storage, use, or other consumption of electricity*  
*or energy produced by a product described*  
*under par. (a). ✓*

*Exempt from taxation  
under sub. (30),*

**Northrop, Lori**

---

**From:** Burri, Lance  
**Sent:** Wednesday, January 14, 2004 8:54 AM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB 03-0684/3 Topic: Sales and use tax exemption for certain solar or wind powered products

It has been requested by <Burri, Lance> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 03-0684/3 Topic: Sales and use tax exemption for certain solar or wind powered products



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 264-6948

STEPHEN R. MILLER  
CHIEF

February 11, 2004

## MEMORANDUM

**To:** Representative Frank Lasee

**From:** Joseph T. Kreye, Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **AB-762** (LRB 03-0684/3)

---

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 10, 2004

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical Memorandum on 2003 AB 762 Exempting from Sales Tax Electricity Produced by Wind, Solar and Certain Gas Energy Products

The department has the following concerns with the bill:

1. At page 2, lines 8-9, the language providing the exception to the exemption is unclear as to whether the exception allows a sale of electricity to be subject to more than one exemption (for example, wind-generated electricity sold for agricultural use) or precludes such an overlap of exemptions.
2. When sales of electricity that are exempt under the bill are commingled with electricity produced from coal, nuclear and other sources, the bill does not specify how the current exemptions would apply. Under current law, retail sales of electricity are either taxable or exempt, depending upon whether or not an exemption applies to the use of the electricity. The source of the electricity does not have any bearing on whether retail sales of the electricity are subject to tax.

When electricity that is exempt under the bill is commingled with other electricity and that electricity is sold for both taxable and exempt purposes, the bill is unclear as to whether the sales of electricity that are exempt under the bill should be allocated to the taxable sales or to the exempt sales. Further complicating the issue, utilities purchase and sell commingled electricity routinely, thereby increasing the difficulty of tracking exempt electricity from its source to the final retail sale.

**Example.** Utility A generates 10% of its electricity with wind turbines and the other 90% from coal. Utility A commingles all of the electricity it produces as well as with electricity produced by other utilities. Utility A sells some of the commingled electricity for agricultural use (all such sales are exempt), some for residential use (such sales are exempt from November through April), and some for commercial use (such sales are generally taxable). The bill does not indicate how Utility A would determine which of its sales are taxable or exempt. It does not indicate how much, if any, of the commingled electricity would be allocated to exempt residential and farm use and how much would be allocated to taxable commercial use.

Due to the problems inherent in providing a sales and use tax exemption for sales of electricity based on its source, the author might consider providing other incentives to encourage production of electricity from renewable sources.

3. The bill uses a term, "product", that is not defined in the sales and use tax law and it is unclear what the term means. For example, "product" as it relates to a wind turbine may or may not include the components of the wind turbine, including a replacement blade. Similarly, the term is as to whether the concrete used by a contractor foundation of a wind turbine is part of a "product" whose power source is wind energy.

The bill could be clarified by replacing "product" with "tangible personal property" and specifying that accessories, attachments, supplies, and parts for qualifying tangible personal property are exempt, if that is the author's intent.

If you have questions regarding this technical memorandum, please contact Blair P. Kruger at (608) 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).