

2003 DRAFTING REQUEST

Bill

Received: **09/05/2003**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Joseph Leibham (608) 266-2056**

By/Representing:

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - sales**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Leibham@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for Internet access services

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>
/?	jkreye 09/05/2003	kfollett 09/05/2003		_____			S&L Tax
/1			jfrantze 09/05/2003	_____	sbasford 09/05/2003	lemery 09/05/2003	

FE Sent For:

<END>

At mtg.

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1/?	jkreye	11/10/03 9/5	2/9/05	Self 9/5			

FE Sent For:

<END>

9-4-03

Brett Davis

San Liebman

AB 234 — rules for internet access exemption

draft companion bill

206-2056

3217/1

RM with R

2003 ASSEMBLY BILL 234

in 9-5-03

SOON

March 31, 2003 - Introduced by Representatives JENSEN, ZIEGELBAUER, ~~RETTIS~~, HUEBSCH, GUNDERSON, SUDER, OWENS, LADWIG, STONE, HINES, J. WOOD, MCCORMICK and VRAKAS, cosponsored by Senators LEIBHAM, KEDZIE, KANAVAS, A. LASEE and ROESSLER. Referred to Committee on Ways and Means. Referred to Joint Committee on Tax Exemptions.

Regen

1 AN ACT to amend 77.51 (5); and to create 77.54 (47) of the statutes; relating
2 to: a sales tax and use tax exemption for Internet access services.

Analysis by the Legislative Reference Bureau

This bill creates a sales tax and use tax exemption for Internet access services. 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. 77.51 (5) of the statutes is amended to read:

4 77.51 (5) ~~For purposes of subs. (13) (e) and (f) and (14) (L) and s. 77.52 (2m)~~
5 "incidental" "Incidental" means depending upon or appertaining to something else
6 as primary; something necessary, appertaining to, or depending upon another which
7 is termed the principal; something incidental to the main purpose of the service.
8 Tangible personal property transferred by a service provider is incidental to the

ASSEMBLY BILL 234**SECTION 1**

1 service if the purchaser's main purpose or objective is to obtain the service rather
2 than the property, even though the property may be necessary or essential to
3 providing the service.

4 **SECTION 2.** 77.54[✓](47) of the statutes is created to read:

5 77.54 (47) (a) In this subsection:

6 1. "Internet" means, collectively, the computer and telecommunications
7 facilities, including equipment and operating software, that comprise the
8 interconnected worldwide network of networks that use the transmission control
9 protocol-Internet protocol, or any predecessor or successor protocols to that protocol,
10 to communicate information by wire or radio.

11 2. "Internet access service" means providing a connection to the Internet,
12 including providing communication or navigation software, an electronic mail
13 address, electronic mail software, news headlines, space for a Web site, or Web site
14 services that are incidental to providing that connection, but excluding telephone
15 services. "Internet access service" does not include other telecommunications
16 services and cable television system services that are conveyed via the Internet.

17 (b) The gross receipts from the sale and use of Internet access services.

18 **SECTION 3. Effective date.**

19 (1) This act takes effect on July 1, 2005.

20 (END)

Emery, Lynn

From: Davis, Brett
Sent: Friday, September 05, 2003 2:53 PM
To: LRB.Legal
Subject: Draft review: LRB 03-3217/1 Topic: Sales and use tax exemption for Internet access services

It has been requested by <Davis, Brett> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-3217/1 Topic: Sales and use tax exemption for Internet access services



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

LRB

September 22, 2003

MEMORANDUM

To: Senator Leibham

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

Subject: Technical Memorandum to 2003 SB 254 (LRB-3217/1)

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.

LRB

MEMORANDUM

September 22, 2003

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on SB 254 Relating to Exempting Internet Access
Charges from Sales Tax

At page 2, line 17, the Department recommends amending the exemption so that "gross receipts" refers only to "the sale of" and not to "the use of" since a person would not have gross receipts from the use of Internet access services. Language similar to that used in other exemptions in s. 77.54 may avoid confusion. For example, the amended exemption might read: "The gross receipts from the sale of and the use or other consumption of Internet access services."

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