

2003 DRAFTING REQUEST

Senate Amendment (SA-SSA(LRBs0108/1)-SB197)

Received: **06/16/2003**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Ted Kanavas (608) 266-9174**

By/Representing: **bruce**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax - corp. inc. and fran.**

Extra Copies:

Submit via email: **YES**

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

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

Pre Topic:

No specific pre topic given

Topic:

Exempt telecommunications companies from single sales factor apportionment

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>
/1	jkreye 06/16/2003	kgilfoy 06/16/2003	rschluet 06/16/2003	_____	mbarman 06/16/2003	mbarman 06/16/2003	

FE Sent For:

<END>

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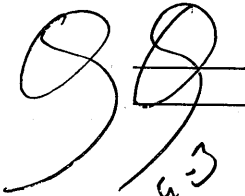
Exempt telecommunications companies from single sales factor apportionment

Instructions:

See Attached

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/1	jkreye	11-16/16 Kmg					
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6-16-03
<END>

FE Sent For:

Kreye, Joseph

From: Pfaff, Bruce
Sent: Monday, June 16, 2003 11:28 AM
To: Kreye, Joseph
Cc: Manley, Scott; Nowak, Ellen
Subject: RE: Amendment to Senate Substitute amendment 1 to SB 197 LRB2520/2

Joseph:

I concur with your assessment. Also, after review I believe Scott Manley's suggestion that we add "telecommunications companies" to sections 14 and 25 of the is also accurate and required. .

Thanks,

Bruce A. Pfaff
Chief of Staff
Office of State Senator Ted Kanavas
Room 20 S. State Capitol
608.266.9174
608.576.4499

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

From: Kreye, Joseph
Sent: Monday, June 16, 2003 11:05 AM
To: Pfaff, Bruce
Cc: Manley, Scott; Nowak, Ellen
Subject: RE: Amendment to Senate Substitute amendment 1 to SB 197 LRB2520/2

After further consideration, based on drafts I've done in the past, it may be best to add "telecommunications companies" in the appropriate sections as noted below.

Joseph T. Kreye
Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

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

From: Pfaff, Bruce
Sent: Friday, June 13, 2003 4:48 PM
To: Kreye, Joseph
Cc: Manley, Scott; Nowak, Ellen
Subject: Amendment to Senate Substitute amendment 1 to SB 197 LRB2520/2

Joe:

In discussions with other legislators and business lobbying organizations it appears that both the Senate and Assembly versions of the Single Sales Factor legislation omit communications companies from the list of exceptions.

Can you please draft an amendment for Senator Kanavas to add communications companies to the list of exceptions in sections 1 and 12 of the bill in the places noted below in red underlined text:

SECTION 1. 71.04 (4) of the statutes is renumbered 71.04 (4) (intro.) and amended to read:

71.04 (4) NONRESIDENT ALLOCATION AND APPORTIONMENT FORMULA. (intro.)
Nonresident individuals and nonresident estates and trusts engaged in business within and without the state shall be taxed only on such income as is derived from business transacted and property located within the state. The amount of such

income attributable to Wisconsin may be determined by an allocation and separate accounting thereof, when the business of such nonresident individual or nonresident estate or trust within the state is not an integral part of a unitary business, but the department of revenue may permit an allocation and separate accounting in any case in which it is satisfied that the use of such method will properly reflect the income taxable by this state. In all cases in which allocation and separate accounting is not permissible, the determination shall be made in the following manner: for all businesses except air carriers, communications companies, financial organizations, pipeline companies, public utilities, railroads, sleeping car companies and car line companies there shall first be deducted from the total net income of the taxpayer the part thereof (less related expenses, if any) that follows the situs of the property or the residence of the recipient. The remaining net income shall be apportioned to ~~Wisconsin~~ this state by use of ~~an apportionment fraction composed of a sales factor representing 50% of the fraction, a property factor representing 25% of the fraction and a payroll factor representing 25% of the fraction.~~ the following:

SECTION 12. 71.04 (8) (c) of the statutes is amended to read:

71.04 (8) (c) The net business income of railroads, sleeping car companies, car line companies, pipeline companies, financial organizations, air carriers, and public utilities communications companies, requiring apportionment shall be apportioned pursuant to rules of the department of revenue, but the income taxed is limited to the income derived from business transacted and property located within the state.

We would like to introduce this amendment at the hearing of the Joint Committee on finance Tuesday, is it possible to have this amendment drafted by then?

Thank you in advance for your attention to this matter, please feel free to contact me with any questions or concerns.

Thanks,
Bruce A. Pfaff
Chief of Staff
Office of State Senator Ted Kanavas
Room 20 S. State Capitol
608.266.9174
608.576.4499



King
vk

**SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT (LRBs0108/1),
TO 2003 SENATE BILL 197**

in 6-16-03

now

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

2 ✓ 1. Page 2, line 12: after "organizations," insert "telecommunications
3 companies,".

4 ✓ 2. Page 6, line 11: after "organizations," insert "telecommunications
5 companies,".

6 ✓ 3. Page 7, line 15: after "organizations," insert "telecommunications
7 companies,".

8 ✓ 4. Page 11, line 13: after "organizations," insert "telecommunications
9 companies,".

10

(END)