

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Friday, February 07, 2003 11:03 AM
To: Halverson, Vicky
Cc: Ford, William
Subject: AB 10 : Exempting Game Birds from Sales and Use Tax



ab10.tec

Hi Vicky --

This is a memo we sent to the LRB drafter about concerns with the draft. It would also have gone to the author of the bill, which in this case is JCRAR.

The changes our technical staff would like to see in an amendment are pretty clear. Just one note on point #3 relating to the effective date -- I spoke with Ron Sklansky at Leg Council about that issue and he would prefer to see an effective date of November 7, 2002 rather than the date of January 1, 2003 (the date suggested in our memo). November 7th is the date that JCRAR suspended the administrative rule that deals with game bird taxation. I spoke with our sales tax technical expert here and he indicates that he thinks either date would be workable.

If Rep. Lehman is going to have an amendment drafted, could you give LRB permission to talk with Mike Hinnendael at DOR about it? Mike's number is 7-5022.

Thanks, Vicky

Let me know if you need anything else or if you think we should proceed any differently on this.

Sherrie

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Friday, February 07, 2003 11:19 AM
To: Halverson, Vicky
Subject: RE: AB 10 : Exempting Game Birds from Sales and Use Tax

Vicky -- I just copied the text and pasted it here ---

MEMORANDUM

January 28, 2003

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 10 Regarding Exempting Game Birds from Sales and Use Tax

We have the following concerns with AB 10:

1. The bill does not define the term "game birds" and it is not clear whether "game birds" includes only live birds or whether clay pigeons are also included. If live birds only are included, the definition "wild bird" at s. 169.01 (38) may be preferable.
2. The bill does not define the terms "game farms" and "game clubs". "Game farms" and "game clubs" might be replaced by "bird hunting preserves" and the exemption limited to those preserves licensed under s. 169.19.
3. The Joint Committee for the Review of Administrative Rules suspended s. Tax 11.12 (7) (a) relating to sales of game birds to game farms and clubs on November 7, 2002 and introduced AB 10 and its companion, SB 6, to make the suspension permanent. Since the suspension extends into the 2003-05 biennium, an effective date of January 1, 2003 would ensure that there is no interval in which the exemption might not apply, in particular, the interval between the date of publication and the first day of the second month after publication.

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

From: Halverson, Vicky
Sent: Friday, February 07, 2003 11:06 AM
To: Gates-Hendrix, Sherrie
Subject: RE: AB 10 : Exempting Game Birds from Sales and Use Tax

Sherrie:

For some reason, I'm not able to open the file.

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

From: Gates-Hendrix, Sherrie
Sent: Friday, February 07, 2003 11:03 AM
To: Halverson, Vicky



State of Wisconsin • DEPARTMENT OF REVENUE

RESOLUTION UNIT • P.O. BOX 8907 • MADISON, WISCONSIN 53708-8907
(608) 266-0185 • FAX (608) 261-6222 • <http://www.dor.state.wi.us>

February 21, 2003

MILFORD HILLS HUNT CLUB LLC
W5670 FRENCH RD
JOHNSON CREEK WI 53038

SP# 639711

NOTICE OF ACTION PURSUANT
TO SECTION 77.59(6)(a) OF THE
WISCONSIN STATUTES

ON PETITION FOR REDETERMINATION
DATED MAY 21, 2002 FILED IN
RESPONSE TO THE SALES AND USE
TAX DETERMINATION DATED
MARCH 27, 2002 IN THE AMOUNT OF
\$19,981.63

After fully considering your petition for redetermination of the additional taxes referred to above, we have determined that such petition is granted in part and denied in part.

The assessment has been modified to allow clay pigeons (targets) as exempt purchases. The charges to your customers for hunting are a taxable admission pursuant to Section Tax 11.65(1)(d), Wis. Admin. Code.

If you disagree with this decision, you may appeal in writing to the

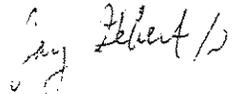
Wisconsin Tax Appeals Commission
122 W. Washington Ave., Ste. 800
Madison, Wisconsin 53703

within 60 days of receiving this notice. If you appeal, you must pay a \$25.00 filing fee to the Commission at the time you file.

If you decide to appeal this redetermination, you have several options concerning the payment of the ultimate deficiency. See Part II of the brochure on your appeal rights which is enclosed with this notice.

February 21, 2003
Milford Hills Hunt Club LLC
Page 2

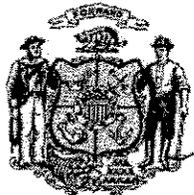
If you do not file an appeal within the 60 day period, the additional tax and interest will become final and payable on or before the date indicated on the attached statement. The unpaid balance will be subject to interest at the rate of 1 1/2% per month and a Delinquent Tax Collection Fee if not paid by the due date. The fee is the greater of \$35.00 or 6 1/2% of any unpaid balance.



Jay Gebert
Resolution Officer

JG:mk
Enclosure

Certified Mail:RRR
cc: David R Muehl CPA
L9/L9REVM6K552.doc



DEBI TOWNS

STATE REPRESENTATIVE

DATE: March 4, 2003
TO: Chairman Lehman & Members of the Committee on Ways and Means
FROM: State Representative Debi Towns
RE: Support of Assembly Bill 10

I would like to use this opportunity to register support for AB10 – the creation of a sales tax and use tax exemption for the sale of game birds. This exemption is explicitly needed to fairly protect those who are engaged in this type of production agriculture.

The resale of game birds to hunting preserves and clubs should be allowed the same considerations as other ag resale products. These birds are sold to a vendor with the intent to be resold to an end-user – the hunter. A sales tax is already collected at the point of sale to the end user.

To tax twice for the same bird would be grossly unfair and would have a negative impact on Wisconsin's \$40 billion agriculture industry.

Thank you for considering my request.

A handwritten signature in cursive script that reads "Debi".

State Representative Debi Towns

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Tuesday, March 04, 2003 2:33 PM
To: Halverson, Vicky
Cc: Ford, William
Subject: game birds -- suggested change to LRB 0007/1

Hi Vicky --

Here is the explanation of the problem with LRB 0007/1 and the suggested way to achieve the exemption for game birds that AB 10 is intended to achieve. This comes from our sales tax technical staff. Please let me know if you need anything else (or if you see any other problems, Bill...!)

I know I mentioned this previously, but I just wanted to mention again that DOR hasn't yet taken a formal position on this bill.

Thanks.

Sherrie

Section 77.54(47), Wis. Stats., as proposed in the bill, would provide a sales and use tax exemption for "The gross receipts from the sale of and the storage, use, or other consumption of wild birds, as defined in s. 169.01(38), that are sold to bird hunting preserves licensed under s. 169.19."

As Bill Ford indicated, this would exclude "farm-raised game birds" from the exemption. The problem with limiting the exemption to wild birds, as defined in sec. 169.01(38), Wis. Stats., is as follows.

Section 169.01(38), Wis. Stats., defines "wild bird" to mean "a wild animal that is a bird."

Section 169.01(37), Wis. Stats. defines "wild animal" to mean "any animal of a wild nature that is normally found in the wild **and that is not a domestic animal.**" (Emphasis added)

Section 169.01(7), Wis. Stats. defines "domestic animal" to mean "a farm-raised deer, a pet bird, **a farm-raised game bird...**" (Emphasis added)

Section 169.01(12m), Wis. Stats., defines "farm-raised game bird" to mean "a bird of a wild nature that is not native that is held captive, but that is not possessed under the authority of a license issued under s. 169.15, 169.19, 169.20, or 169.21."

Bird hunting preserves are licensed under sec. 169.19, Wis. Stats., so sales of birds that are raised on a licensed hunting preserves would qualify for exemption if sold to another licensed hunting preserve. It appears the exemption would not apply, however, to sales of game birds that are raised on a game farm that does not also operate a hunting preserve.

The intent of AB 10 could be achieved by providing a sales and use tax exemption for "The gross receipts from the sale of and the storage, use, or other consumption of live game birds that are sold to bird hunting preserves licensed under s. 169.19."

This avoids the problems associated with the definition of "wild bird" in sec. 169.01(38), Wis. Stats.



22 EAST MIFFLIN STREET, SUITE 900
MADISON, WI 53703
TOLL FREE: 1.866.404.2700
PHONE: 608.663.7188
FAX: 608.663.7189

MEMORANDUM

TO: Honorable Members of the Assembly Committee on Ways and Means

FROM: Allison Bussler, ^{JB} Senior Legislative Associate

DATE: March 5, 2003

RE: Opposition to Assembly Bill 10

The Wisconsin Counties Association opposes Assembly Bill 10. AB 10 creates a sales and use tax for the sale of game birds to game farms and game clubs.

Currently, Wisconsin's counties have the option of implementing a county sales tax of 0.5%. Each sales tax exemption results in decreased revenue to the state and to the fifty-six counties who have in place a county option sales tax. Revenue derived from the imposition of a county option sales tax reduces the reliance on property tax revenues to fund county services and state mandates. Additionally, with counties subjected to a tax rate limit, counties cannot afford to lose revenue in any form. Thus, any new sales tax exemption decreases county revenue that increases reliance on the property tax that could lead to cuts in county-provided services.

The State of Wisconsin is struggling to balance a state budget deficit of over \$3.2 billion. State and local governments are being asked to tighten their belts and reduce costs to help solve the state budget deficit. Adding new sales tax exemptions will further exasperate state and county budget shortfalls.

Any reduction in county sales tax revenue has a direct effect on the services counties provide. As the cost of providing services to Wisconsin citizens continues to rise, tax exemptions require close examination. The Wisconsin Counties Association respectfully requests your opposition to Assembly Bill 10.

Thank you for considering our comments.

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Thursday, March 06, 2003 8:26 AM
To: Rep.Ziegelbauer
Cc: Rep.LehmanM
Subject: AB 10 and streamlined sales tax

Rep. Ziegelbauer --

I did confirm with our sales tax staff that the streamlined sales tax project work would not have any impact on the taxation of game birds either under current law or under AB 10.

While the SST project may address bundling of services in the future, their work would be aimed primarily at telecommunications services and our sales tax specialists do not anticipate any effect on taxation of wild animals.

I hope this is helpful. Let me know if you'd like any more information on the bill or the streamlined project.

Thanks

Sherrie Gates-Hendrix
DOR Legislative Liaison
267-1262

Halverson, Vicky

From: Halverson, Vicky
Sent: Monday, March 10, 2003 3:37 PM
To: Kreye, Joseph
Subject: FW: game birds -- suggested change to LRB 0007/1

Hi Joe:

Rep. Lehman would like to have another amendment drafted per the instructions below from DOR. I am sending the stripes for the other amendment back over to you.

Please call with any questions you may have. Thanks very much.

Vicky

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Cc: Ford, William
Subject: game birds -- suggested change to LRB 0007/1

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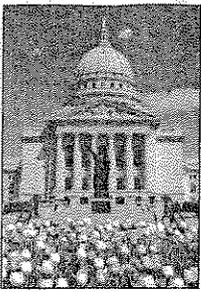
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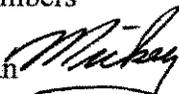
Michael (Mickey)
Lehman

State Representative
99th Assembly District

Committee Chair: Ways and Means

Memorandum

To: Ways & Means Committee Members

From: Rep. Michael "Mickey" Lehman 

Date: March 18, 2003

Re: Amendments for April 2nd Public Hearing/Executive Session

The following amendments will be considered by the Committee at our next Public Hearing/Executive Session:

A technical amendment to AB 10 requested by DOR;

An amendment introduced by Rep. Ziegelbauer to his AB 24, relating to the sale of tangible personal property.

An amendment to AB 48, relating to mailing property tax bills, drafted by the author--Rep. Ladwig.

Copies are attached for your information.

Halverson, Vicky

From: Langan, Casey
Sent: Wednesday, October 22, 2003 1:04 PM
To: Halverson, Vicky
Subject: RE: SB6

Thanks Vicky

I'll try to watch for SB 6 on future agendas for Ways and Means.

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

From: Halverson, Vicky
Sent: Wednesday, October 22, 2003 12:56 PM
To: Langan, Casey
Subject: RE: SB6

Casey:

SB 6 was just referred to us last Wed. We will be holding an exec. on it at some point. Not able to say exactly when at this time.

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

From: Langan, Casey
Sent: Wednesday, October 22, 2003 11:08 AM
To: Halverson, Vicky; Kraak, Maureen
Subject: FW: SB6

Could you provide me with an update on the status of AB 10 -- SB 6. I would like to get back to this constituent.

Thanks,

Casey Langan
Office of Rep. Debi Towns

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

From: Kris Beeler [mailto:controller@pheasant.com]
Sent: Wednesday, October 22, 2003 10:59 AM
To: Towns, Debi
Subject: SB6

Rep Towns:

My update on the taxation issue of gamebirds we have previously discussed is as follows. The bill passed

the Senate on a 32-2 vote, gaining bi-partisan support on both sides of the aisle.

It was introduced on the floor of the Assembly and immediately referred to the Ways and Means Committee for review. Public hearing was held with the Ways and Means Committee in the Senate last fall with the proposed legislation passing from there with overwhelming support.

I understand the protocol to move the bill to the Ways and Means Committee for consideration. However, since this bill has been before four committees already in its journey, I am asking you to contact Rep. Lehman's office and request that this proposed bill be "executed" out of the Ways and Means Committee so that it may be brought to the floor of the Assembly in this fall session.

Any assistance you can provide makes this proposed legislation one step closer to becoming the legislation that is necessary to halt this double taxation of gamebirds by the Department of Revenue.

Thank you for your continued assistance and support.

Cordially,

Kris Beeler
 Controller
 MacFarlane Pheasants Inc
 Janesville

Kris Beeler
 Controller
 (608) 757-7881 Ext 11
 e-mail: controller@pheasant.com

WHILE YOU WERE AWAY

FOR _____	DATE <u>10/25</u>	TIME <u>1045</u>	A.M. P.M.
M <u>Steve Williams</u>			
OF _____	<u>262-968-2400</u>		
PHONE <input type="checkbox"/> FAX <input checked="" type="checkbox"/> MOBILE	AREA CODE	NUMBER	EXTENSION
MESSAGE <u>AB10</u>	<input checked="" type="checkbox"/> PLEASE CALL <input type="checkbox"/> WILL CALL AGAIN <input type="checkbox"/> CAME TO SEE YOU <input type="checkbox"/> WANTS TO SEE YOU		
<u>We will be acting</u>			
<u>on SBG - hopefully on</u>			
SIGNED <u>Nov. 19th</u>			

FORM 4002

Rossiter - double tax - amendment to AB16
include clay pigeon

Jason - DGR - concerned about issue
mushrooming

Bill: Final consumer is where tax occurs.

Scott/Steve: Considered a double tax. They
were looking.

AB 24

AB - 1984? no grossing adjustment
ASSN. would still issue W-2

Fair exemption on this -

Fed. loose thinks \$600.00

Rep

ML

quarterly reporting -

Fed - Diane Hardt -

~~Steve~~

~~Diane~~

~~Amber~~