

2005 DRAFTING REQUEST

Bill

Received: 01/13/2006

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Karl Van Roy (608) 266-0616

By/Representing: tanya

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Individual - income credit

Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given

Topic:

Individual income tax credit for self-service laundry service

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>
/?				_____			State
/1	jkreye 01/13/2006	jdyer 01/13/2006	pgreensl 01/17/2006	_____	lemery 01/17/2006	lnorthro 01/18/2006	

FE Sent For:

01-30-2006
(1/1")

see attached

<END>

Rush

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/?	jkreye	1/13 jld	PG	PG			

FE Sent For:

<END>

1-13-06

Lanya - Rep Van Roy 6-06/6

AB413 tax exemption

change to tax credit





Jld

2005 BILL

m 1-13-06

due Eu. 1-20-06
D-N

Gen

1 AN ACT ...; relating to: an individual income tax credit for the sales and use taxes
2 paid on self-service laundry services.

Analysis by the Legislative Reference Bureau

Under current law, laundry services performed by the consumer of the laundry services are subject to the sales tax and the use tax, unless the services are performed through the use of coin-operated, self-service machines. Under this bill, an individual may claim an income tax credit in an amount equal to the amount of the sales and use taxes that the individual paid in the taxable year on laundry services performed by the individual through the use of self-service machines.

For further information see the *state* 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. 71.05 (6) (a) 15. of the statutes is amended to read:
4 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
5 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), and (5d), and (5h)
6 and not passed through by a partnership, limited liability company, or tax-option

BILL

SECTION 1

1 corporation that has added that amount to the partnership's, company's, or
2 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25; s. 13.93 (2) (c).

3 **SECTION 2.** 71.07 (5h) of the statutes is created to read:

4 **71.07 (5h) SELF-SERVICE LAUNDRY SERVICES CREDIT.** (a) *Definitions.* In this
5 subsection, "claimant" means an individual who files a claim under this subsection.

6 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
7 claimant may claim against the taxes imposed under s. 71.02, up to the amount of
8 the taxes, an amount that is equal to the amount of the taxes imposed under ss. 77.52
9 and 77.53 that the claimant paid in the taxable year on laundry, dry cleaning,
10 pressing, and dyeing services performed by the claimant through the use of
11 self-service machines.

12 (c) *Limitations.* For a claimant who is a nonresident or part-year resident of
13 this state and who is a single person or a married person filing a separate return,
14 multiply the credit for which the claimant is eligible under par. (b) by a fraction, the
15 numerator of which is the individual's Wisconsin adjusted gross income and the
16 denominator of which is the individual's federal adjusted gross income. If a claimant
17 is a claimant is married and files a joint return, and if the claimant or the claimant's
18 spouse, or both, are nonresidents or part-year residents of this state, multiply the
19 credit for which the claimant is eligible under par. (b) by a fraction, the numerator
20 of which is the couple's joint Wisconsin adjusted gross income and the denominator
21 of which is the couple's joint federal adjusted gross income.

22 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
23 under s. 71.28 (4), applies to the credit under this subsection.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4392/1dn

JK:A:...

Jld

Representative Van Roy:

This draft is similar in intent to 2005 Assembly Bill 413, except that this draft creates an individual income tax credit rather than a sales and use tax exemption. Please contact me if you have any questions.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4392/1dn
JK:jld:pg

January 17, 2006

Representative Van Roy:

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Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Northrop, Lori

From: Hein, Tanya
Sent: Wednesday, January 18, 2006 2:27 PM
To: LRB.Legal
Subject: Draft Review: LRB 05-4392/1 Topic: Individual income tax credit for self-service laundry service

Please Jacket LRB 05-4392/1 for the ASSEMBLY.

Barman, Mike

From: Barman, Mike
Sent: Monday, January 30, 2006 1:06 PM
To: Hein, Tanya
Subject: RE: Small Business Committee PDF bill drafts for public hearing

Tanya -

I will submit these two drafts to DOA for early fiscal estimates. I will note that the FE's are needed by Monday, February 6th so hopefully you will have them for your hearing on Tuesday. Let me know if I can be of further assistance.

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.state.wi.us

From: Hein, Tanya
Sent: Monday, January 30, 2006 12:33 PM
To: Barman, Mike
Subject: FW: Small Business Committee PDF bill drafts for public hearing

Mike,

Vicky says I should contact you. I would like to get fiscal estimates for two LRB drafts that will soon be given bill numbers and referred to the Committee on Small Business. We would like to have a public hearing and executive session on the two LRBs attached below on February 7. They are tax credit versions of two bills that were originally drafted as tax exemptions and had fiscal estimates prepared on those.

Please let me know if you have any questions. Thanks.

Tanya R. Hein
Legislative Aide
Rep. Karl Van Roy

From: LaBelle, Vicky - DOA [<mailto:Vicky.LaBelle@Wisconsin.gov>]
Sent: Monday, January 30, 2006 12:24 PM
To: Hein, Tanya
Cc: Ziegler, Paul D; Barman, Mike
Subject: RE: Small Business Committee PDF bill drafts for public hearing

Tanya, you should work with the Legislative Reference Bureau and the LRB drafter to set these bills up in the Fiscal Estimate System. I have copied Mike Barman of the LRB, so he is aware this will be coming. If you need to contact him, please call him at 266-3561. Neither I, nor the Department of Revenue, can do anything until this has occurred. Vicky LaBelle

From: Hein, Tanya
Sent: Monday, January 30, 2006 12:02 PM
To: LaBelle, Vicky
Cc: Ziegler, Paul D
Subject: FW: Small Business Committee PDF bill drafts for public hearing

Vicki and Paul,

On February 7, the Assembly Small Business Committee will be holding a public hearing on LRB 4392 and LRB 4382. These LRBs are currently in the Speaker's office and should be referred with an actual bill number to our committee in time for the public hearing. These LRBs are basically a re-drafted tax credit version of tax exemption bills AB 413 and AB 339. The original bills passed unanimously. Since the re-drafted versions of the bill have the same intent, we are planning on executing these bills immediately following the public hearing. Therefore, we need fiscal estimates on the attached LRBs which will be changed to AB form in time for the public hearing. Please let me know if you have any questions.

A tax credit version of AB 413 tax exemption for laundry services.

<< File: 05-43921.pdf >>

A tax credit version of AB 339 tax exemption on restaurant equipment.

<< File: 05-43821.pdf >>

Tanya R. Hein
Legislative Aide

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P.O. Box 8953  
Madison, WI 53708  
Tel: 608-266-0616  
Fax: 608-282-3690