ASSEMBLY SUBSTITUTE AMENDMENT 1, TO 2005 ASSEMBLY BILL 1011

March 14, 2006 - Offered by Representative Wieckert.

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2	77.86 (2) and 77.87 (2); and <i>to create</i> 77.86 (4) (b), 77.86 (4) (c), 77.87 (1) (a) 2.
3	and 77.87 (1) (b) of the statutes; relating to: the determination of the value of
4	timber for purposes of assessing a yield tax and granting rule-making
5	authority.
	The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:
6	SECTION 1. 77.86 (2) of the statutes is amended to read:
7	77.86 (2) BOND. The department may require an owner who intends to cut
8	merchantable timber on managed forest land to file with the department a
9	noncancelable bond furnished by a surety company licensed to do business in this
10	state in the amount expected to be required as payment of the yield tax under s. 77.87
11	(1) <u>(a) 1</u> .

SECTION 2. 77.86 (4) of the statutes is renumbered 77.86 (4) (a).

 $An\ Act$ to renumber 77.86 (4); to renumber and amend 77.87 (1); to amend

1 **SECTION 3.** 77.86 (4) (b) of the statutes is created to read: 2 77.86 (4) (b) The owner shall include on the report the method for determining 3 the yield tax under s. 77.87 (1). 4 **SECTION 4.** 77.86 (4) (c) of the statutes is created to read: 5 77.86 (4) (c) If the owner elects to determine the yield tax under s. 77.87 (1) (a) 6 2., the owner shall report the sale to the department on a form provided by the 7 department. The report shall include the amount of money involved and any other 8 compensation, including in-kind services, that the seller received in exchange for 9 selling the timber. The department shall promulgate rules that specify the 10 information that shall be included in the forms that are required under this 11 subsection. 12 **Section 5.** 77.87 (1) of the statutes is renumbered 77.87 (1) (a) (intro.) and 13 amended to read: 14 77.87 (1) (a) (intro.) The department shall assess a yield tax against each owner 15 who cuts merchantable timber under s. 77.86 and shall mail a copy of the certificate 16 of assessment to the owner at the owner's last-known address. The yield tax shall 17 equal 5% of the one of the following: 18 1. The value of the merchantable timber cut, based on the stumpage value 19 established under s. 77.91 (1). The department shall mail a copy of the certificate of 20 assessment to the owner at the owner's last-known address. 21 **Section 6.** 77.87 (1) (a) 2. of the statutes is created to read: 22 77.87 (1) (a) 2. The fair market value of the merchantable timber cut, including 23 money and any other compensation received in exchange for the timber, as reported 24 under s. 77.86 (4). 25 **SECTION 7.** 77.87 (1) (b) of the statutes is created to read:

subsection.

77.87 (1) (b) If the timber is sold as a cut product, not based on stumpage value,	
or if the owner cannot supply the documentation required under s. 77.86 (4) (c), the	
yield tax shall equal the amount calculated under par. (a) 1.	
SECTION 8. 77.87 (2) of the statutes is amended to read:	
77.87 (2) Supplemental Tax. At any time within one year after a report is filed	
under s. 77.86 (4), the department, after notifying the owner and providing the owner	
with the opportunity for a hearing, may determine whether the report is accurate.	
If the department determines that the quantity of, or the fair market value, including	
money and any other compensation, that the seller received for, the merchantable	
timber cut exceeded the amount on which the tax was assessed under sub. (1), the	
department shall assess a supplemental tax on the additional amount as provided	
under sub. (1).	
SECTION 9. Initial applicability.	
(1) This act first applies to merchantable timber sold on the effective date of this	

(END)