

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 1011**

March 14, 2006 – Offered by Representative WIECKERT.

1 **AN ACT** *to renumber* 77.86 (4); *to renumber and amend* 77.87 (1); *to amend*
2 77.86 (2) and 77.87 (2); and *to create* 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) (a) 1.

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

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:

