

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2005 ASSEMBLY BILL 646**

1 **AN ACT to repeal** 77.54 (34); and **to amend** 77.54 (3) (a), 77.54 (3m) (intro.), 77.54  
2 (30) (a) 3. and 77.54 (30) (a) 5. of the statutes; **relating to:** a sales tax and use  
3 tax exemption on tangible personal property used in the business of farming.

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*Analysis by the Legislative Reference Bureau*

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4 **SECTION 1.** 77.54 (3) (a) of the statutes is amended to read:  
5 77.54 **(3)** (a) The gross receipts from the sales of and the storage, use, or other  
6 consumption of tractors and machines, including accessories, attachments, and  
7 parts thereof, lubricants, nonpowered equipment, and other tangible personal  
8 property that are used exclusively and directly, or are consumed or lose their  
9 identities, in the business of farming, including dairy farming, agriculture,

1 horticulture, floriculture, silviculture, and custom farming services, but excluding  
2 automobiles, trucks, and other motor vehicles for highway use; excluding personal  
3 property that is attached to, fastened to, connected to, or built into real property or  
4 that becomes an addition to, component of, or capital improvement of real property;  
5 and excluding tangible personal property used or consumed in the erection of  
6 buildings or in the alteration, repair, or improvement of real property, regardless of  
7 any contribution that that personal property makes to the production process in that  
8 building or real property and regardless of the extent to which that personal property  
9 functions as a machine, except as provided in par. (c).

10 **SECTION 1d.** 77.54 (3m) (intro.) of the statutes is amended to read:

11 77.54 **(3m)** (intro.) The gross receipts from the sale of and the storage, use or  
12 other consumption of the following items if they are used exclusively by the  
13 purchaser or user in the business of farming; including dairy farming, agriculture,  
14 horticulture, floriculture, silviculture, and custom farming services:

15 **SECTION 1m.** 77.54 (30) (a) 3. of the statutes is amended to read:

16 77.54 **(30)** (a) 3. Electricity sold for use in farming, including but not limited  
17 to agriculture, dairy farming, floriculture, silviculture, and horticulture.

18 **SECTION 1n.** 77.54 (30) (a) 5. of the statutes is amended to read:

19 77.54 **(30)** (a) 5. Fuel sold for use in farming, including but not limited to  
20 agriculture, dairy farming, floriculture, silviculture, and horticulture.

21 **SECTION 2.** 77.54 (34) of the statutes is repealed.

22 **SECTION 3. Effective date.**

23 (1) This act takes effect on July 1, 2007.

24 **(END)**