2007 ASSEMBLY BILL 10

January 12, 2007 – Introduced by Representative Schneider. Referred to Committee on Ways and Means.

- 1 AN ACT *to amend* 77.51 (4) (b) 1. and 77.51 (15) (b) 1. of the statutes; **relating**
- to: the sales tax and the use tax on purchases made with a manufacturer's rebate.

Analysis by the Legislative Reference Bureau

Under current law, the state imposes a sales tax on all retailers at the rate of 5 percent of the gross receipts from the sale of tangible personal property. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5 percent of the sales price for the use or storage of tangible personal property in this state that the consumer either purchases from out–of–state retailers or purchases without paying the appropriate sales tax. Under current law, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.

Under this bill, when a consumer purchases tangible personal property, other than motor vehicles, that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.

ASSEMBLY BILL 10

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

2	77.51 (4) (b) 1. Cash or term discounts; or amounts paid by the manufacturer
3	of the item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce

SECTION 2. 77.51 (15) (b) 1. of the statutes is amended to read:

SECTION 1. 77.51 (4) (b) 1. of the statutes is amended to read:

- the amount paid by the buyer of the item; allowed and taken on sales.
- 77.51 **(15)** (b) 1. Cash discounts; or amounts paid by the manufacturer of the item sold, not including a motor vehicle, as defined in s. 340.01 (35), that reduce the amount paid by the buyer of the item; allowed and taken on sales.

SECTION 3. Initial applicability.

(1) Manufacturers' rebates. This act first applies to sales on the effective date of this subsection.

SECTION 4. Effective date.

(1) Manufacturers' rebates. This act takes effect on the 7th day beginning after publication.

15 (END)