

2007 ASSEMBLY BILL 161

March 12, 2007 – Introduced by Representatives VAN ROY, BIES, ALBERS, HAHN, LOTHIAN, KERKMAN, MUSSER, MURSAU, TOWNSEND and GUNDERSON, cosponsored by Senators GROTHMAN, OLSEN, KEDZIE and LEIBHAM. Referred to Committee on Small Business.

1 **AN ACT** *to amend* 71.05 (6) (a) 15. and 71.08 (1) (intro.); and *to create* 71.07 (5i)
 2 and 71.10 (4) (gxx) of the statutes; **relating to:** an individual income tax credit
 3 for the sales and use taxes 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:

4 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:
 5 71.05 **(6)** (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
 6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), and

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1 (5e), (5f), ~~and (5h)~~, and (5i) and not passed through by a partnership, limited liability
2 company, or tax-option corporation that has added that amount to the partnership's,
3 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

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

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

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim against the taxes imposed under s. 71.02 or 71.08, up to the
9 amount of the taxes, an amount that is equal to the amount of the taxes imposed
10 under ss. 77.52 and 77.53 that the claimant paid in the taxable year on laundry, dry
11 cleaning, pressing, and dyeing services performed by the claimant through the use
12 of self-service machines.

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

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

