

**2007 DRAFTING REQUEST**

**Bill**

Received: **01/23/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB: **05 AB 952**

For: **Karl Van Roy (608) 266-0616**

By/Representing: **tanya**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income credit**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.VanRoy@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Income tax credit for self-service laundry services

---

**Instructions:**

See Attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	jkreye 01/23/2007	jdyer 02/09/2007	rschluet 02/12/2007	_____	sbasford 02/12/2007	cduerst 02/12/2007	

FE Sent For: *14 @ intro.  
3-9-2007*

<END>

**2007 DRAFTING REQUEST**

**Bill**

Received: **01/23/2007**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB: **05 AB 952**

For: **Karl Van Roy (608) 266-0616**

By/Representing: **tanya**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income credit**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.VanRoy@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Income tax credit for self-service laundry services

---

**Instructions:**

See Attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	jkreye 01/23/2007	jdyer 02/09/2007	rschluet 02/12/2007	_____	sbasford 02/12/2007		

FE Sent For:

<END>

**2007 DRAFTING REQUEST**

**Bill**

Received: 01/23/2007

Received By: jkreye

Wanted: As time permits

Identical to LRB: 05 AB 952

For: Karl Van Roy (608) 266-0616

By/Representing: tanya

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Individual - income credit

Extra Copies:

Submit via email: YES

Requester's email: Rep.VanRoy@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Income tax credit for self-service laundry services

---

**Instructions:**

See Attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/?	jkreye						
----	--------	---	---	--	--	--	--

FE Sent For:

<END>

## MEMORANDUM

February 2, 2006

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Paul Ziegler  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 952 Creating an Individual Income Tax Credit in the Amount of the Sales and Use Tax Paid on Self-Service Laundry Services

The Department has the following concerns with AB 952:

- S. 71.07 (5h) (b) allows the credit to be offset against the taxes imposed under s. 71.02. However, the order of computation [s. 71.10(4) (gxx)] places the credit after the alternative minimum tax and, therefore, s. 71.07 (5h) (b) should include a reference to the taxes imposed under s. 71.08.
- Claiming the credit will be complex and confusing for the claimant. Since only self-service machines operated by non-coin means (e.g., tokens, debit or smart cards) are subject to sales tax, the claimant will have to distinguish between coin-operated and non-coin-operated self-service machines. Based on the claimant's expenditures for non-coin machines only, the claimant will then have to determine the amount of tax paid. For example, the tax on \$5 of expenditures would be  $\$0.24 = \$5 - (\$5/1.05)$ . The claimant will have to keep a log of usage, type of payment, and amount of tax to document their claims for credit.
- On page 2, line 18, "is a claimant" should be deleted.
- The effective date will be a problem if the bill is enacted late in the year after tax forms have been finalized for printing. It would be preferable to add that if enacted after July 31, the credit would first apply to taxable years beginning on January 1 after date of enactment

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).

cc: Representative Van Roy

stays

in 1-23-07

D-N

# 2005 ASSEMBLY BILL 952

January 30, 2006 - Introduced by Representatives VAN ROY, KREIBICH, HAHN, KESTELL, MUSSER, KERKMAN, HINES, PETTIS, GUNDERSON, OWENS, PETROWSKI, PRIDEMORE, LEMAHIEU, GUNDRUM, TOWNS, STRACHOTA, TOWNSEND, LOTHIAN, ALBERS, J. FITZGERALD and KRAWCZYK, cosponsored by Senators GROTHMAN, OLSEN, LAZICH, ROESSLER, LEIBHAM, A. LASEE, KEDZIE, KANAVAS and DARLING. 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 (5h)  
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), (5b), and (5d), and (5h)

blue  
Thurs 2-15-07

re per

g

ASSEMBLY BILL 952

INDEBT 2-3

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

SECTION 2. 71.07 (5h) of the statutes is created to read:

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

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

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

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

**ASSEMBLY BILL 952**

1           2. Subsection (9e) (d),<sup>✓</sup> to the extent that it applies to the credit under sub. (9e),  
2 applies to the credit under this subsection.<sup>✓</sup>

3           ~~SECTION 3. 71.08 (1) (intro.) of the statutes, as affected by 2005 Wisconsin Act~~  
4           ~~25, is amended to read:~~

5           ~~71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married~~  
6           ~~couple filing jointly, trust, or estate under s. 71.02, not considering the credits under~~  
7           ~~ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3s),~~  
8           ~~(3t), (5b), (5d), (5h), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds),~~  
9           ~~(1dx), (1fd), (2m), (3), (3n), and (3t) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds),~~  
10           ~~(1dx), (1fd), (2m), (3), (3n), and (3t) and subchs. VIII and IX and payments to other~~  
11           ~~states under s. 71.07 (7), is less than the tax under this section, there is imposed on~~  
12           ~~that natural person, married couple filing jointly, trust, or estate, instead of the tax~~  
13           ~~under s. 71.02, an alternative minimum tax computed as follows:~~

✓  
INSERT  
3-13

14           ~~SECTION 4. 71.10 (4) (gxx)<sup>✓</sup> of the statutes is created to read:~~

15           ~~71.10 (4) (gxx)<sup>✓</sup> Self-service laundry services credit under s. 71.07 (5n).<sup>5i</sup>~~

16           ~~SECTION 5. Initial applicability.<sup>✓</sup>~~

17           ~~(1) This act first applies to taxable years beginning on January 1, 2006.<sup>✓</sup>~~

18           INSERT  
3-17

(END)

d-note  
↓

2007-2008 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1651/lins  
JK:.....

Insert 2 - 3

1 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:  
2 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),  
3 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (3w), (5b), (5d), ~~and~~  
4 (5e), (5f), ~~and~~ (5h), and (5i) and not passed through by a partnership, limited liability  
5 company, or tax-option corporation that has added that amount to the partnership's,  
6 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

NOTE: NOTE: Subd. 15. is shown as affected by 3 acts of the 2005 Wisconsin legislature and as merged by the revisor under s. 13.93 (2) (c). The bracketed "and" was inserted by 2005 Wis. Act 479, but rendered surplusage by 2005 Wis. Act 483. Corrective legislation is pending. NOTE:  
History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; s. 13.93 (2) (c).

Insert 3 - 13

7 SECTION 2. 71.08 (1) (intro.) of the statutes is amended to read:  
8 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
9 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
10 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), ~~(3e), (3e), (3m),~~  
11 (3n), (3s), (3t), (3w), (5b), (5d), (5e), ~~(5f), (5f), (5i),~~ (5f), (5i), (6), (6e), and (9e), 71.28 (1dd),  
12 (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47  
13 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and  
14 subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the  
15 tax under this section, there is imposed on that natural person, married couple filing  
16 jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax  
17 computed as follows:

NOTE: NOTE: There is no s. 71.07 (3e) or (3e). The creation of those provisions was removed from 2005 Wis. Act 361 by the governor's partial veto. 2005 Wis. Act 483 amended this subsection to insert "(5f)" but 2005 Wis. Act 479 repealed and recreated the provision without taking the Act 483 treatment into account. Corrective legislation is pending. NOTE:  
History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; s. 13.93 (2) (e).

Insert 3 - 17

18 SECTION 3. Initial applicability.



1           (1) This act first applies to taxable years beginning on January 1 of the year  
2           in which this subsection takes effect, ✓ except that if this subsection takes effect after  
3           July 31 ✓ this act first applies to taxable years beginning on January 1 of the year  
4           following the year in which this subsection takes effect. ✓

(end ins 3-17)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

date

LRB-1651/1dn

JK:.....

JK

Representative Van Roy:

This draft is based on 2005 Assembly Bill 952 and incorporates items 1, 3, and 4 from DOR's technical memorandum dated February 2, 2006. \*

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1651/1dn  
JK:jld:rs

February 9, 2007

Representative Van Roy:

This draft is based on 2005 Assembly Bill 952 and incorporates items 1, 3, and 4 from DOR's technical memorandum dated February 2, 2006.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)

**Duerst, Christina**

---

**From:** Hein, Tanya  
**Sent:** Monday, February 12, 2007 12:15 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 07-1651/1 Topic: Income tax credit for self-service laundry services

Please Jacket LRB 07-1651/1 for the ASSEMBLY.