



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 19, 2007

MEMORANDUM

To: Representative Van Roy

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2007 AB 161** (LRB-1651/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 14, 2007

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 161 Creating an Individual Income Tax Credit in the Amount of the Sales and Use Tax Paid on Self-Service Laundry Services

Claiming the credit is complex and will likely be 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.

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

cc: Representative Van Roy