2007 DRAFTING REQUEST

Bill

Received: 02/28/2007 Wanted: As time permits					Received By: jkreye Identical to LRB:						
For: Rich Zipperer (608) 266-5120					By/Representing: chris						
This file may be shown to any legislator: NO					Drafter: jkreye						
May Contact:					Addl. Drafters:						
Subject	Tax, O	ther - sales			Extra Copies:						
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Submit	via email: YES	<u>.</u>									
Request	er's email:	Rep.Zippe	rer@legis.v	visconsin.gov	7						
Carbon	copy (CC:) to:	joseph.kre	ye@legis.w	isconsin.gov							
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Draftin	g History:					*					
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2007 DRAFTING REQUEST

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<END>

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Wanted: **As time permits** Identical to LRB:

For: Rich Zipperer (608) 266-5120 By/Representing: chris

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

May Contact: Addl. Drafters:

Subject: Tax, Other - sales Extra Copies:

Submit via email: YES

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

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

Pre Topic:

No specific pre topic given

Topic:

Internet access services

Instructions:

See Attached

Drafting History:

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

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FE Sent For:

<END>

Kreye, Joseph

From:

Reader, Chris

Sent:

Wednesday, February 28, 2007 11:47 AM

To: Subject: Kreye, Joseph RE: LRB 1850

If we said in 77.51 (21m) that "'Telecommunication services' does not include 'internet access services' for this subchapter" would that accomplish our goal of making internet access services non-taxable, without it having to be written as a tax exemption under 77.54?

From: Kreye, Joseph

Sent: Tuesday, February 27, 2007 3:07 PM

To: Reader, Chris Subject: RE: LRB 1850

Chris.

Internet access services are considered a telecommunications service and telecommunication services are taxable under s. 77.52 (2) (a) 5.

I'm not sure when the rule was changed to reflect the taxation of Internet access services. You may want to contact our research section (266-0341) or DOR for information about this. I do know that the statutory definition of "telecommunications services" was created by 1989 Wisconsin Act 31 and that it has been amended a number of times since. I also know that the code was changed in April 1990 and March 1991 (and a few times since) but I don't know what the changes were.

Joe

Joseph T. Kreye Senior Legislative Attorney Legislative Reference Bureau (608) 266-2263

From:

Reader, Chris

Sent:

Tuesday, February 27, 2007 2:42 PM

To:

Kreye, Joseph

Subject:

RE: LRB 1850

Fiscal Bureau indicates that 11.66 (4) 14 of the Administrative Code for the Department of Revenue is why the DOR has the authority to tax internet access.... What is the act/statute that allowed DOR to promulgate the rule in the first place? I believe it was first created in 1991. Can you verify when the DOR rule first was enacted?

Thanks Joe.

From: Kreye, Joseph

Sent: Tuesday, February 27, 2007 11:53 AM

To: Reader, Chris Subject: RE: LRB 1850

Chris.

It could be drafted as a tax credit whereby individuals and businesses would pay the tax on Internet access service and then claim the tax paid as a credit against income taxes. Tax credits are not identified as bills that may be referred to the Joint Survey Committee on Tax Exemptions. You could introduce the bill to create the tax credits and then offer a substitute amendment that would restore the exemption (the sub would not go to the joint survey committee).

Joe

Joseph T. Kreye Senior Legislative Attorney Legislative Reference Bureau (608) 266-2263

From:

Reader, Chris

Sent:

Tuesday, February 27, 2007 11:43 AM

To:

Kreye, Joseph

Subject:

LRB 1850

Joe,

Is there anyway to redraft LRB 1850 so it doesn't have to go to Joint Survey Committee on Tax Exemptions? Besides creating a tax exemption as this draft does or changing DOR code...is there another way?

Chris Reader Office of Rep. Zipperer **Wisconsin State Assembly** (608) 266-5120

"Serving Waukesha County's 98th Assembly District"

<< File: 07-18501.pdf >>



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State of Misconsin 2007 - 2008 LEGISLATURE

LRB-2108/1

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2007 BILL



AN ACT ...; relating to: excluding Internet access services from the definition of telecommunications services for sales and use tax purposes.

Analysis by the Legislative Reference Bureau

Under current law, telecommunications services that are subject to the sales and use tax does not include sending collect telecommunications that are received outside of the state. Under the bill, telecommunications services that are subject to the sales and use tax also does not include Internet access services.

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 and assembly, do enact as follows:

SECTION 1. 77.51 (5m) of the statutes is created to read:

77.51 (5m) "Internet" means, collectively, the computer and telecommunications facilities, including equipment and operating software, that comprise the interconnected worldwide network of networks that use the transmission control protocol or Internet protocol, or any predecessor or successor protocols to that protocol, to communicate information by wire or radio.

BILL

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SECTION 2

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SECTION 2.	77.51	(5n)	of	the	statutes	is	created	to	read:

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77.51 (**5n**) "Internet access service" means a service that enables the user of the service to access content, information, electronic mail, or other services that are offered over the Internet, including access to proprietary content, information, or other services that are offered to consumers as part of a package of services.

SECTION 3. 77.51 (21m) of the statutes is amended to read:

77.51 (21m) "Telecommunications services" means sending messages and information transmitted through the use of local, toll and wide-area telephone service; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio: stationary two-way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means between or among points by wire, cable. optics, microwave, laser, radio, satellite similar facilities. "Telecommunications services" does not include sending collect telecommunications that are received outside of the state. "Telecommunications services" does not include Internet access services.

History: 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479. 18

SECTION 4. Effective date.

(1) This act takes effect on the first day of the 2nd month beginning after publication.

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Duerst, Christina

From:

Reader, Chris

Sent:

Tuesday, March 06, 2007 12:46 PM

To:

LRB.Legal

Subject:

Draft Review: LRB 07-2108/1 Topic: Internet access services

Please Jacket LRB 07-2108/1 for the ASSEMBLY.