

2007 DRAFTING REQUEST

Bill

Received: 02/28/2007

Received By: jkreye

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:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/1	jkreye 02/28/2007	jdyer 03/05/2007	nmatzke 03/05/2007	_____	sbasford 03/05/2007	cduerst 03/06/2007	

FE Sent For: @ intro.
3-27-2007

<END>

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/?	jkreye	1 3/2 jld	nwn 3/5	nwn 3/5			

FE Sent For:

<END>

Kreye, Joseph

From: Reader, Chris
Sent: Wednesday, February 28, 2007 11:47 AM
To: Kreye, Joseph
Subject: 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

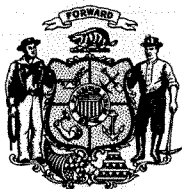
Joe,

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 >>



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-2108/1

JK:.....

Jld

2007 BILL

in 2-28-07
SOON

Gen

1 AN ACT ...; relating to: excluding[✓] Internet access services from the definition of
2 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:

3 SECTION 1. 77.51 (5m)[✓] of the statutes is created to read:
4 77.51 (5m) [✓] "Internet" means, collectively,[✓] the computer and
5 telecommunications facilities, including equipment and operating software, that
6 comprise the interconnected worldwide network of networks that use the
7 transmission control protocol or Internet[✓] protocol, or any predecessor or successor
8 protocols to that protocol, to communicate information by wire or radio.

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.