



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER
CHIEF

December 17, 2007

MEMORANDUM

To: Representative Albers

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

Subject: Technical Memorandum to **2007 ASA1-AB371** (LRBs0122/1) 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

December 11, 2007

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on ASA1 to AB 371 Creating an Income and Franchise Tax Credit for the Purchase of Certain Motor Vehicles

The department has the following concerns with the bill:

1. Under s. 71.07 (5j) (b) 1., the new credit may be claimed if the claimant purchases or leases an eligible vehicle in the taxable year. However, under para. (c) 4., the Department of Revenue may require documentation that the claimant paid at least \$500 for biodiesel fuel or E85 motor vehicle fuel to claim the credit. If the fuel-purchase requirement is not met until the taxable year after the purchase or lease of the eligible vehicle, claiming the credit may be confusing to taxpayers. Such taxpayers would not be able to claim the credit on the tax return in the year of purchase or lease but would have to wait and file an amended return after the fuel-purchase requirement is met.
2. "Purchase price" is undefined and it is not clear whether the term includes sales tax and title fees.
3. The references to s. 71.07 (5j) need to be changed because 2007 Act 20 used subsection (5j) for the ethanol and biodiesel fuel pump credit.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310.

cc: Representative Albers