



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

January 15, 2008

MEMORANDUM

To: Senator Hansen

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

Subject: Technical Memorandum to **2007 SB 360** (LRB-2824/1) 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

January 7, 2008

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on SB 360 Exempting Vitamins from Sales and Use Tax

The bill does not define “vitamin” and, therefore, the common dictionary definition would apply. *The American Heritage Dictionary*, second edition, defines “vitamin” as:

Any of various relatively complex organic substances occurring naturally in plant and animal tissue and essential in small amounts for the control of metabolic processes.

Although this definition of “vitamin” is broad, it may not reflect the author’s intent. If the bill is intended to exempt only products that are 100% vitamins, most multi-vitamins (including One-A-Day Multivitamins) would not be exempt since they often contain non-vitamin ingredients, such as iron or zinc as well as sugars, dyes, and gelatin. On the other hand, if products that are less than 100% vitamins are exempted, the exemption might include cough drops with Vitamin C added, sports drinks that are enhanced with vitamins (for example, Gatorade and Powerade), certain weight-loss products (for example, MetaboLife and Hydroxycut), dietary supplements, mineral supplements, and organic and natural health supplements. In addition, the exemption may include plant and pet vitamins as well as vitamins for human consumption.

Thus, the exemption may be confusing to sellers and consumers and may lead to costly litigation. At a minimum, the bill should be amended to define the term “vitamin” and clarify whether the exemption applies only to vitamins for human consumption.

If you have any questions regarding this technical memorandum, please contact Blair Kruger at (608) 266-1310.

cc: Senator Hansen