

2009 DRAFTING REQUEST

Bill

Received: 11/14/2008

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Roger Roth (608) 266-7500**

By/Representing: **jason**

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.Roth@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for inspecting mammography equipment

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>
/P1	jkreye 11/14/2008	bkraft 11/21/2008	mduchek 11/24/2008	_____	sbasford 11/24/2008		S&L Tax
	jkreye 12/18/2008	bkraft 12/18/2008		_____			
/1			phenry 12/18/2008	_____	sbasford 12/18/2008	cduerst 02/04/2009	S&L Tax
/2	jkreye 09/02/2009	bkraft 09/02/2009	phenry 09/02/2009	_____	mbarman 09/03/2009	mbarman 09/03/2009	S&L Tax

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	jkreye 09/21/2009	bkraft 09/21/2009		_____			
/3			jfrantze 09/22/2009	_____	sbasford 09/22/2009	sbasford 09/22/2009	S&L Tax

FE Sent For:

at intro
4/23

<END>

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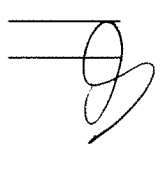
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J 9/21 

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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12 bjk 9/2



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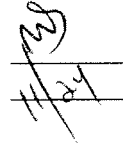
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/P1	jkreye	/P1 bjk 11/21					

FE Sent For:

<END>

Kreye, Joseph

From: Culotta, Jason
Sent: Friday, November 14, 2008 2:49 PM
To: Kreye, Joseph
Subject: draft for mammography inspection sales tax exemption

Attachments: DOR mammography inspection sales tax ruling.pdf; Stan Reed mammography inspection sales tax.pdf



DOR mammography inspection sal...
Stan Reed mammography inspect

Joe,

Above are two sets of letters we received from a constituent of ours, Stan Reed, who is a medical physicist and operates mammography systems.

He provides periodic inspections of his hospital's mammography equipment. His hospital is a for-profit institution.

The Department of Revenue has ruled that this service he provides is subject to the sales tax (see the first attachment from DOR). Mr. Reed and his attorney disagree (see the second attachment). When we put this question to Leg Council, the attorney there thought DOR was correct in its interpretation and that we could draft legislation to exempt this service from the sales tax for a for-profit institution.

That is the request that Representative Roth is seeking to fulfill.

Please feel free to call us at 6-7500 with any questions regarding this.

Thanks,

Jason Culotta
Legislative assistant
Office of Representative Roger Roth


State of Wisconsin • DEPARTMENT OF REVENUE

 2136 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
 PHONE (608) 266-1911 • FAX (608) 261-6240 • <http://www.dor.state.wi.us>
**NOTICE OF INTENT TO
PUBLISH RULING**

 Stanley A. Reed, M.S.
 2400 W Cortland Drive
 Grand Chute, WI 54914

Date of Mailing Of This Notice	February 25, 2008
Last Date to Request Deletion Changes	March 16, 2008
Last Date to Request Delay of Publication	April 25, 2008
Date After Which Ruling May Be Published	May 15, 2008

Section 73.035, Wis. Stats., provides that the Wisconsin Department of Revenue may publish private letter rulings. Private letter rulings may be edited by the requester, if that editing is submitted before the deadlines established by the department and if the department approves the editing.

In accordance with sec. 73.035, Wis. Stats., the department may publish in the *Wisconsin Tax Bulletin* the enclosed deletion copy of the private letter ruling that you requested. The deletions indicated in the deletion copy include any or all of the following:

1. The names, addresses, and other identifying details of the person to whom the ruling pertains and of any other person identified in the ruling.
2. Trade secrets and privileged or confidential commercial or financial information.
3. Information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

The indicated deletions were made after consideration of any suggestions for deletions you may have made prior to issuance of the ruling.

IF YOU AGREE with the indicated deletions, you need not take any further action. The department may publish the deletion copy in the *Wisconsin Tax Bulletin* after the "Date After Which Ruling May Be Published" shown on this notice.

IF YOU DISAGREE with the indicated deletions, please return the deletion copy and indicate any deletion changes you believe should be made. Include a statement supporting your position. Your proposal must be postmarked no later than the "Last Date to Request Deletion Changes" shown on this notice and submitted to the address given at the end of this notice. Your proposal will be given careful consideration. If the Department of Revenue feels it cannot make one or more of the deletion changes you suggest, you will be so advised no later than 20 days after receipt of your proposal. If the department agrees with your proposed deletion changes, you will be so advised, and the revised deletion copy of the ruling may be published in the *Wisconsin Tax Bulletin* after the "Date After Which Ruling May Be Published" shown on this notice.

If the transaction to which the ruling relates will not be completed by the "Date After Which Ruling May Be Published" shown on this notice, or if for any other reason you wish to delay publication of this ruling, a request for delay of publication may be made. The request must be postmarked no later than the "Last Date to Request Delay of Publication" shown on this notice and submitted to the address given below.

A request for a delay of publication or proposed deletion changes should be addressed to:

Wisconsin Department of Revenue
 Director of Private Letter Rulings
 P.O. Box 8933
 Madison, WI 53708-8933

e:private ltr rulings/Reed - PLR Notice



State of Wisconsin • DEPARTMENT OF REVENUE

2135 Rimrock Rd. • Mail Stop 6-40 • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-8474 • FAX (608) 281-8240 • jeffrey.hanson@revenue.wi.gov

February 25, 2008

Stanley A. Reed, M.S.
2400 W Cortland Drive
Grand Chute, WI 54914

Re: Stanley A. Reed, M.S.

Dear Mr. Reed:

Enclosed is a final private letter ruling, in response to a request dated August 10, 2007. There are no substantive differences between this final ruling and the proposed ruling issued on December 21, 2007.

Also enclosed are a "deletion copy" of the ruling prepared in accordance with your deletion statement or standard "deletion" procedures, a Notice of Intent to Publish Ruling, and the original documents you submitted for our review.

Sincerely,

A handwritten signature in cursive script that reads 'Jeffrey W. Hanson'.

Jeffrey W. Hanson
Director of Private Letter Rulings
Phone: (608) 266-8474
Fax: (608) 261-4902
jeffrey.hanson@revenue.wi.gov

cc: Janet Abrams

JWH:DSK
e:PLR/Reed ruling (cover letter 2)

**State of Wisconsin • DEPARTMENT OF REVENUE**

2135 Rimrock Rd. • Mail Stop 6-40 • P.O. BOX 8633 • MADISON, WISCONSIN 53708-8633
PHONE (608) 268-6474 • FAX (608) 261-6240 • jeffrey.hanson@revenue.wi.gov

February 25, 2008

Stanley A. Reed, M.S.
2400 W Cortland Drive
Grand Chute, WI 54914

Re: Stanley A. Reed, M.S.

Dear Mr. Reed:

This letter responds to a request for a private letter ruling dated August 10, 2007, and the subsequent submission of additional requested information.

Facts, as provided:

You are a Medical Physicist certified by the American Board of Radiology in Therapeutic Radiological Physics and Diagnostic Medical Physics. You work full time at an area hospital and occasionally provide annual evaluations of mammography systems to allow the facility to have local medical physics support.

All mammography systems are required to have a qualified medical physicist provide at least an annual survey to assure image quality. In 1992, the Food and Drug Administration (FDA) passed regulations implementing the Mammography Quality Standards Act (MQSA) (21 CFR Part 900). This initiative was intended to provide consistent and quality images to improve the detection of breast cancer. The American College of Radiology is the accrediting body for the State of Wisconsin and they determined a specific set of tests to be performed by the medical physicist and the medical facility's quality assurance technologist for a mammography system.

According to the Mammography Quality Control Manual, the tests are "...designed to assess the continuing performance of screen-film mammography equipment, comply with the Mammography Quality Standards Act (MQSA) ..." While other tests are included in the manual to provide a more complete assessment of the system performance, such tests are not covered under MQSA.

You provide a medical physics survey of radiology equipment to assess the image quality and radiation performance. During a survey of a system, you spend about three hours measuring radiation parameters and taking about 60 images. You spend at least another hour reviewing the site's records (recorded over the prior year) of the required periodic quality assurance tests. You then spend another two hours at a later time in your office evaluating the data collected and writing a report. You provide a summary of your findings and list improvement recommendations, if any are necessary. Any corrections would be determined by the owner and made by site personnel, the equipment manufacturer, or equivalent, and not by you or another medical physicist.

Stanley A. Reed, M.S.
February 25, 2008
Page 2

Within your survey, you do not remove any covers (of the equipment) nor do you provide the owner of the radiology equipment with any tangible personal property, other than a report. You primarily evaluate the imaging portion of the system to determine if patients are receiving a quality radiation exam and verify that a system meets federal and state regulations for an x-ray system. You may recommend within your report that a medical facility have periodic system maintenance performed by the manufacturer or equivalent, you do not have the qualifications for this service and do not perform it.

You have no involvement with the installation of tangible personal property and do not improve the value of the equipment. You are not involved in the sale, installation, repair, or maintenance of the equipment.

Question: Is the service that you are providing subject to Wisconsin sales and use tax?

Answer: Yes, unless an exemption applies (for example, you provide the service for a hospital that holds a Wisconsin certificate of exempt status). You are providing the taxable service of inspecting tangible personal property, which is subject to Wisconsin sales and use tax under sec. 77.52(2)(a)10., Wis. Stats. (2005-06).

Analysis: Section 77.52(2)(a)10., Wis. Stats. (2005-06), in part, imposes Wisconsin sales and use tax on "...the repair, service, alteration, fitting, cleaning, painting, coating, towing, *inspection*, and maintenance of all items of tangible personal property unless, at the time of that [the] repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection, or maintenance, a sale in this state of the type of property repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or maintained would have been exempt to the customer from sales taxation..." (Emphasis added.)

Section Tax 11.67(2)(c), Wis. Adm. Code (April 2000 Register), provides that "(i)f there is a single charge for providing both taxable and nontaxable services, the entire charge is subject to the tax, unless it is determined by the department that another method, such as allocation or primary purpose of the transaction, more accurately reflects the tax. If the charges for taxable and nontaxable services are separately stated on an invoice, the tax applies only to the charge properly attributable to the taxable services, unless it is determined by the department that the primary purpose of the transaction method for computing the tax more accurately reflects the tax."

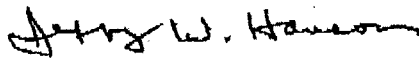
You are performing a number of analytical procedures to the radiology equipment and reviewing the output of the equipment to determine whether the equipment is functioning properly and within the parameters established by the FDA through the MQSA. Such services are the inspection of tangible personal property. The inspection of tangible personal property (that is, the radiology equipment) is subject to Wisconsin sales and use tax, as provided in sec. 77.52(2)(a)10., Wis. Stats. (2005-06).

Stanley A. Reed, M.S.
February 25, 2008
Page 3

Although you may also provide services other than the inspection of tangible personal property, the primary objective of the service that you perform is to determine whether the performance of the screen-film mammography equipment is in compliance with the standards set forth by the MSQA (that is, the service of inspection of tangible personal property).

Your statement of audit in process, statement as to identical issue, statement under penalties of perjury and/or deletion statement, as applicable, have been reviewed and are in proper order. Enclosed is a "deletion copy" of the ruling prepared in accordance with your deletion statement or standard "deletion" procedures, as well as a Notice of Intent to Publish Ruling ("Notice"). Please follow the procedures set forth in the Notice.

Sincerely,



Jeffrey W. Hanson
Director of Private Letter Rulings
(608) 266-8474
jeffrey.hanson@revenue.wi.gov

cc: Janet Abrams

2400 W. Cortland Drive
Grand Chute, WI 54914

Call DOR + have them
walk me thru this.
Say to attorney - copy of DOR
letter?

March 24, 2008

Terri McCormick
Room 127 West, State Capital
P.O. Box 8953
Madison, WI 53708

He doesn't fit image of "contractor"
"inspector" done by aghal manufacturer.
Can't change cost of procedure -
Set by federal reimbursement code
Also sent to Mike Elms.

Dear Representative McCormick,

I am a medical physicist who has recently been involved in a request for a private letter ruling with the State of Wisconsin, Department of Revenue. The Department of Revenue contends that the image performance evaluation that I do constitutes an inspection under State statute section 77.52(2)(a)10. and therefore is subject to sales tax. I consulted with a tax attorney and both of us believe that this medical professional service should not be subject to sales tax. Attached is a copy of the private letter ruling request filed with the State of Wisconsin, Department of Revenue.

12-15
people do
this in the
state

After meeting with representatives from the Department of Revenue, it appears that they use the definition of inspection from a dictionary since the definition is not in the statute. The majority of the image evaluation that I am performing is a result of a federal program to improve women's health. In 1992 the Mammography Quality Standards Act was approved to assure that breast imaging and follow-up met acceptable criteria and that medical imaging facilities and staff would demonstrate a level of competency or be removed from the field. At this time in 1992 there was some poor breast imaging occurring, and identified cancers were not being followed or treated appropriately some of the time. This was a major step for improving women's health. As you are probably aware reimbursement for most medical procedures is defined and not market determined, and having the State receive sales tax for a federally required medical physicist image evaluation is not appropriate, in my opinion.

Rule effective
in May.
Not subject of
sales tax code.
only "for-profit
medical
institutions"

I was also informed from the Department of Revenue that a State Representative could request an exemption in the code for this profession. The intent of this correspondence is to request your help to have the profession of medical physics be viewed the same as physicians, accountants, and attorneys who are exempt from sales tax.

J may need
representative
to put an
exemption
in law.

Thank you for your consideration on this matter.

Sincerely,

Stanley A. Reed

Stanley A. Reed, M.S., Certified Medical Physicist, American Board of Radiology

Send copy of letter
to Hunt

Write out of session.

August 7, 2007

Wisconsin Department of Revenue
Director of Private Letter Rulings
P O Box 8933
Madison WI 53708-8933

RE: Taxpayer ID #: 023-36-0070
Name: Stanley A. Reed, M.S., Certified Medical Physicist by the American Board
of Radiology

Dear Wisconsin Department of Revenue Representative;

This correspondence is intended to obtain a private ruling request. My client, Mr. Stanley A. Reed, received a telephone call from a representative of the Wisconsin Department of Revenue who was performing an audit on a medical clinic. She indicated that in her opinion the consulting medical physics service he provided to the clinic under audit should include sales tax as described in Tax 11.68(12). The representative stated that the department believes his service is an inspection and subject to sales tax.

I disagree with the department's interpretation on this matter. Section 11.68 of the Administrative Code, focuses on Construction Contractors and states that contractors are retailers of:

(2)(b)(1) "Property it installs which retains its character as personal property after sale and installation"

(2)(b)(2) "Labor or services furnished in installing tangible property which retains its character as personal property after installation."

(2)(b)(3) "Labor and material furnished in the repair, service, alteration, fitting, cleaning, painting, coating, towing, inspection and maintenance of items of real property which retain their character as tangible personal property for repair purposes."

Mr. Reed does not provide construction contracting services. He provides a medical physics survey of radiology equipment to assess the image quality and radiation performance. He has no involvement with the installation of tangible property and does not improve the value of the equipment. He is not involved in the sale, installation, or maintenance of the equipment.

He does not provide repair services and I do not believe Mr. Reed's professional assessment of image quality and radiation measurements constitutes an inspection in the

spirit intended in the Administrative Code. Within Mr. Reed's survey, he does not remove any covers or provide the owner of the radiology equipment with any tangible property, other than a report. He primarily evaluates the imaging portion of the system to determine if patients are receiving a quality radiation exam and verifies that a system meets Federal and State regulations for an x-ray system. While he may recommend within his report that a medical facility have periodic system maintenance performed by the manufacturer or equivalent, he does not have the qualifications for this service and does not perform it.

I suggest that the image and radiation performance assessment Mr. Reed performs would be more appropriately included in Tax 11.67 Service enterprises. Similar to physicians, accountants, lawyers and other professional services, Mr. Reed provides an opinion in the form of a report to the medical clinic summarizing the image and radiation quality that an x-ray system demonstrates. I understand that a similar issue was raised by the Department of Revenue in 1994 and at that time a verbal interpretation was given that this type of service was a medical opinion similar to the professional opinions of lawyers, accountants, and physicians.

Additionally, Mr. Reed is certified by the American Board of Radiology in Therapeutic Radiological Physics and Diagnostic Medical Physics. He works full time at an area hospital and only occasionally provides annual evaluations of mammography systems to allow the facility to have local medical physics support. All mammography systems are required to have a qualified medical physicist provide at least an annual survey to assure image quality. In 1992, the Food and Drug Administration (FDA) passed regulations implementing the Mammography Quality Standards Act (MQSA) (21 CFR Part 900). This initiative was intended to provide consistent and quality images to improve the detection of breast cancer. The American College of Radiology is the accrediting body for the State of Wisconsin and they determined a specific set of tests to be performed by the medical physicist and the medical facility's quality assurance technologist for a mammography system (see attachment A, summary of medical physics tests).

During a survey of a system, Mr. Reed spends about three hours measuring radiation parameters and taking about 60 images and at least another hour reviewing the site's records (recorded over the prior year) of the required periodic quality assurance tests. He then spends another two hours at a later time in his office evaluating the data collected and writing a report. Mr. Reed provides a summary of his findings and lists improvement recommendations if any are necessary. Any corrections would be determined by the owner and made by site personnel, the equipment manufacturer, or equivalent, and not by Mr. Reed or another medical physicist.

In summary, I believe making Mr. Reed subject to the sales tax statutes is not appropriate for this service and the Wisconsin statutes and administrative code does not indicate that there should be a sales tax for such a professional service. Requiring the collection of a sales tax for medical physics imaging equipment surveys would be setting a new precedent and I believe would need a change to the code specifically addressing this area if sales tax is intended to be charged for such a survey. Please issue a private letter

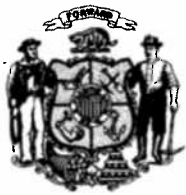
ruling to Mr. Reed stating that the medical physicist services which he performs are not subject to sales tax. In the event that the Department disagrees, I would request a conference if the department proposes to rule other than I have requested.

Sincerely,

Adam N. Skarie

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of the requested ruling are true, correct, and complete.

Stanley A. Reed, Certified Medical Physicist



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0806/P1

JK:.....

Lbjk

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA ✓
x-ref ✓

in 11-14-08

D-N

gen. cat.

1 AN ACT ...; relating to: a sales and use tax exemption for inspections of
2 mammography systems. ✓

Analysis by the Legislative Reference Bureau

> This bill provides an sales and use tax exemption for inspections of ✓
mammography systems. Rea

Because this bill relates to an exemption from state or local taxes, it may be ✓
referred to the Joint Survey Committee on Tax Exemptions for a report to be printed
as an appendix to the bill.

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. 77.54 (50) of the statutes is created to read:

4 77.54 (50) The gross receipts from the sale of and the use or other consumption
5 of an inspection, including an assessment of image quality and radiation
6 performance, of a mammography system. ✓

7 SECTION 2. Effective date.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0806/P1dn

JK:.....

Lbjk

Date

Representative Roth: ✓

Please review this draft carefully to ensure that it is consistent with your intent. ✓

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

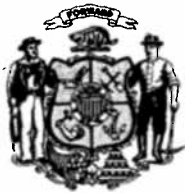
LRB-0806/P1dn
JK:bjk:md

November 24, 2008

Representative Roth:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0806/P1

JK:bjk:md

Stay

R. Mandel

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 12-16-08

SAV

used 3 times
medical physics performance testing of
medical imaging and therapeutic equipment
medical imaging and therapeutic equipment

SOON

1 AN ACT to create 77.54 (50) of the statutes; relating to: a sales and use tax
2 exemption for inspections of mammography systems

Analysis by the Legislative Reference Bureau

This bill provides a sales and use tax exemption for inspections of mammography systems

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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. 77.54 (50) of the statutes is created to read:

4 77.54 (50) The gross receipts from the sale of and the use or other consumption
5 of an inspection, including an assessment of image quality and radiation
6 performance, of a mammography system.

7 SECTION 2. Effective date.

December 12, 2008

Appleton Medical Center
Radiation Oncology
1818 N. Meade Street
Appleton, WI 54911

Roger Roth
State Representative
P.O. Box 8953
Madison, WI 53708

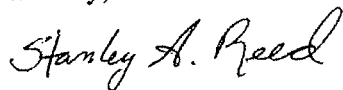
Dear Representative Roth,

Thank you for your effort to resolve the interpretation of sales and use tax for medical physics evaluation of medical imaging equipment. In the preliminary draft the wording references an exemption for inspections of mammography systems. I believe it would be important to state that the exemption is for medical physics performance testing of medical imaging and therapeutic equipment. The profession of medical physics is responsible for verifying that the radiation emitted from medical equipment is appropriate using published standards and regulations. I believe it would help clarify the intent, if the revised code did not use the term inspection when discussing medical physics testing. The original manufacturer or equivalent should be responsible for the equipment inspection and should continue to pay sales and use tax on their service when necessary.

Please contact me if you have questions on this correspondence.

work telephone: 920 - 738 - 6431
cell: 920 - 277 - 4343
e-mail: stanley.reed@thedacare.org

Sincerely,



Stanley A. Reed, M.S., Medical Physicist

Barman, Mike

From: Culotta, Jason
Sent: Wednesday, February 04, 2009 1:44 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-0806/1 Topic: Sales and use tax exemption for inspecting mammography equipment

Please Jacket LRB 09-0806/1 for the ASSEMBLY.

Kreye, Joseph

From: Moore, Caroline
Sent: Wednesday, July 22, 2009 5:04 PM
To: Kreye, Joseph
Subject: Redraft for Representative Roth

Attachments: Motion 626 (2).pdf



Motion 626 (2).pdf
(8 KB)

Representative Roth would like to redraft LRB-0806/1. There is an amendment by the Fiscal Bureau attached that was not motioned during the budget, due to lack of controversy.

Thank you,
Caroline Moore

GENERAL FUND TAXES

Sales Tax Exemption for the Annual Inspection of Mammography Equipment

Motion:

Move to create a sales and use tax exemption for the inspection services of mammography facility equipment, which perform mammographic x-ray procedures. Specify that the exemption is limited to the annual inspection service of equipment used in a mammography facility required under the federal Mammography Quality Standards Reauthorization Act of 2004.

Note:

Under current law, the state sales and use tax is imposed generally on tangible personal property and is imposed selectively on services. Inspection services are subject to the state sales and use tax if the tangible personal property for which the inspection is provided was subject to the tax. Current law provides exemptions from the state sales and use tax for certain tangible personal property; however, current law does not provide an exemption from the tax for equipment used in a mammography facility. Therefore, under current law, inspection services performed on taxable mammography equipment are subject to the tax.

According to the Department of Health Services, 255 facilities in this state perform mammographic x-ray procedures. Each facility is required to conduct an inspection that insures compliance with the Mammography Quality Standards Reauthorization Act of 2004 once every twelve months, with a two-month grace period either way. According to the Department, the annual inspection fee costs approximately \$2,000 per facility.

Under the motion, mammography facility inspection services required by federal law to insure compliance with the Mammography Quality Standards Reauthorization Act of 2004 would be exempt from the state sales and use tax. It is estimated that the motion would reduce state sales and use tax revenue by a minimal amount.



2009 BILL

The inspection of mammography equipment as required under federal law

SA x-ref in 9-2-09

re you

1 AN ACT to create 77.54 (50) of the statutes; relating to: a sales and use tax
2 exemption for medical physics performance testing of medical imaging and
3 therapeutic equipment. the inspection of mammography equipment

Analysis by the Legislative Reference Bureau

This bill provides a sales and use tax exemption for medical physics performance testing of medical imaging and therapeutic equipment.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

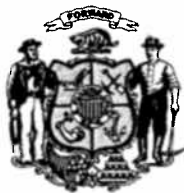
For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

(58) (B)
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: (58)

4 SECTION 1. 77.54 (50) of the statutes is created to read:

5 77.54 (50) The gross receipts from the sale of and the use or other consumption
6 of medical physics performance testing of medical imaging and therapeutic
7 equipment.

The annual inspection services as required under federal law, of mammography equipment used to perform mammographic x-ray procedures



3

stays

RMintR

2009 BILL

SA

in 9-21-09

due Fri. 9-25

1

AN ACT to create 77.54 (58) of the statutes; **relating to:** a sales and use tax

2

exemption for the inspection of mammography equipment.

Analysis by the Legislative Reference Bureau

This bill provides a sales and use tax exemption for the inspection of mammography equipment, as required under federal law.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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. 77.54 (58) of the statutes is created to read:

4

77.54 (58) The gross receipts from the sale of and the use or other consumption

5

of the annual inspection service, as required under federal law, of mammography

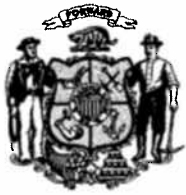
6

equipment used to perform mammographic x-ray procedures.

7

SECTION 2. Effective date.

INSERT
1-6



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0806/1 ←

JK:bjk:ph

FROM
0806/1

2009 BILL

INSERT 1-6

regen.

(58)

1 AN ACT to create 77.54 (50) of the statutes; relating to: a sales and use tax
2 exemption for medical physics performance testing of medical imaging and
3 therapeutic equipment.

Analysis by the Legislative Reference Bureau

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Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 SECTION 1. 77.54 (50) of the statutes is created to read:

sales price
retail price

5 77.54 (50) The gross receipts from the sale of and the use or other consumption
6 of medical physics performance testing of medical imaging and therapeutic
7 equipment.

if the testing is part of the annual inspection
if the testing is part of the annual inspection
service required under federal law
service required under federal law

GENERAL FUND TAXES

Sales Tax Exemption for the Annual Inspection of Mammography Equipment

Motion:

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Note:

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According to the Department of Health Services, 255 facilities in this state perform mammographic x-ray procedures. Each facility is required to conduct an inspection that insures compliance with the Mammography Quality Standards Reauthorization Act of 2004 once every twelve months, with a two-month grace period either way. According to the Department, the annual inspection fee costs approximately \$2,000 per facility.

Under the motion, mammography facility inspection services required by federal law to insure compliance with the Mammography Quality Standards Reauthorization Act of 2004 would be exempt from the state sales and use tax. It is estimated that the motion would reduce state sales and use tax revenue by a minimal amount.

Kreye, Joseph

From: Culotta, Jason
Sent: Monday, September 21, 2009 3:10 PM
To: Kreye, Joseph
Subject: mammography machine inspection sales tax exemption

Attachments: Motion 626.pdf



Motion 626.pdf (8
KB)

Joe,
You had prepared LRB-0806/1 for Rep. Roth on this topic earlier this year, but expanded it from just naming mammography machines to medical imaging and therapeutic equipment. We just wanted to make sure that, given the understanding LFB has acquired on this issue, that our earlier draft is the best reflection of writing this into law.
Thanks for taking a look at this again.
--Jason
6-7500

-----Original Message-----

From: Moran, Sean
Sent: Tuesday, July 07, 2009 10:24 AM
To: Culotta, Jason
Subject: FW: LFB: Motion 626

Jason,

Attached is the motion I had worked up for Rep. Vos's request on the proposed sales and use tax exemption for federally required inspection services of mammography equipment. Please contact me if you or Rep. Roth have any further questions.

Thanks,

Sean Moran