

2011 DRAFTING REQUEST

Bill

Received: 12/16/2011

Received By: jkreye

Wanted: As time permits

Companion to LRB: -2616

For: Glenn Grothman (608) 266-7513

By/Representing: jamie

May Contact:

Drafter: jkreye

Subject: Tax, Other - sales

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Grothman@legis.wisconsin.gov

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

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for items and services sold as part of a lump sum contract

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>
/?	jkreye 12/16/2011	kfollett 12/16/2011		_____			S&L Tax
/1			jfrantze 12/16/2011	_____	ggodwin 12/16/2011	ggodwin 12/28/2011	

FE Sent For:

At Intro
1/5/2012

<END>

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1/?	jkreye	11/16 12/16	JJ 1/16	KM 11/16			

FE Sent For:

<END>



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2016/1

JK:jkl:ph

15f
3648/11

2011 ASSEMBLY BILL 381

in Friday
2-16

due today

November 16, 2011 – Introduced by Representatives JACQUE, KOOYENGA, RIVARD and STROEBEL, cosponsored by Senator GROTHMAN. Referred to Committee on Ways and Means. Referred to Joint Survey Committee on Tax Exemptions.

Regen

- 1 AN ACT *to create* 77.54 (60) of the statutes; **relating to:** a sales and use tax
- 2 exemption for items and services sold as part of a lump sum contract.

Analysis by the Legislative Reference Bureau

This bill creates a sales and use tax exemption for items and services sold as part of a lump sum contract. Under the bill, a lump sum contract is a contract to perform real property construction activities and for which the contractor quotes the charge for labor, services of subcontractors, and materials as one price, including a contract for which the contractor itemizes the charges for labor, services of subcontractors, and materials as part of a schedule of values or similar document.

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 (60) of the statutes is created to read:
- 4 77.54 (60) (a) In this subsection, "lump sum contract" means a contract to
- 5 perform real property construction activities and for which the contractor quotes the

ASSEMBLY BILL 381

SECTION 1

1 charge for labor, services of subcontractors, and materials as one price, including a
2 contract for which the contractor itemizes the charges for labor, services of
3 subcontractors, and materials as part of a schedule of values or similar document.

4 (b) The sales price from the sale of and the storage, use, or other consumption
5 of tangible personal property, items and property under s. 77.52 (1) (b) and (c), and
6 taxable services that are sold as part of a lump sum contract, if the total sales price
7 of all such items is less than 10 percent of the total amount of the lump sum contract.

8 **SECTION 2. Effective date.**

9 (1) This act takes effect on the first day of the 3rd month beginning after
10 publication.

11 (END)

Insert 2-10



ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2011 ASSEMBLY BILL 381

December 12, 2011 - Offered by Representative JACQUE.

1 AN ACT *to create* 77.54 (60) of the statutes; **relating to:** a sales and use tax
2 exemption for items and services sold as part of a lump sum contract.

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

3 SECTION 1. 77.54 (60) of the statutes is created to read:

4 77.54 (60) (a) In this subsection, "lump sum contract" means a contract to
5 perform real property construction activities and to provide tangible personal
6 property, items or property under s. 77.52 (1) (b) or (c), or taxable services and for
7 which the contractor quotes the charge for labor, services of subcontractors, tangible
8 personal property, items and property under s. 77.52 (1) (b) and (c), and taxable
9 services as one price, including a contract for which the contractor itemizes the
10 charges for labor, services of subcontractors, tangible personal property, items and
11 property under s. 77.52 (1) (b) and (c), and taxable services as part of a schedule of
12 values or similar document.

Insert
8-10



1 (b) The sales price from the sale of and the storage, use, or other consumption
2 of tangible personal property, items and property under s. 77.52 (1) (b) and (c), and
3 taxable services that are sold by a contractor as part of a lump sum contract, if the
4 total sales price of all such taxable products is less than 10 percent of the total
5 amount of the lump sum contract. Except as provided in par. (c), the contractor is
6 the consumer of such taxable products and shall pay the tax imposed under this
7 subchapter on the taxable products.

8 (c) If the lump sum contract is entered into with an entity that is exempt from
9 taxation under sub. (9a), the contractor is the consumer of all taxable products used
10 by the contractor in real property construction activities, but the contractor may
11 purchase without tax, for resale, tangible personal property, items and property
12 under s. 77.52 (1) (b) and (c), and taxable services that are sold by the contractor as
13 part of the lump sum contract with the entity and that are not consumed by the
14 contractor in real property construction activities.

15 **SECTION 2. Initial applicability.**

16 (1) This act first applies to contracts entered into on the effective date of this
17 subsection.

18 **SECTION 3. Effective date.**

19 (1) This act takes effect on the first day of the 3rd month beginning after
20 publication.

21 (END)

end of insert 2-10

Godwin, Gigi

From: Julian, Jamie
Sent: Wednesday, December 28, 2011 2:47 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-3648/1 Topic: Sales and use tax exemption for items and services sold as part of a lump sum contract

Please Jacket LRB 11-3648/1 for the SENATE.