AN ACT to create 77.54 (60) of the statutes; relating to: a sales and use tax 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:

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

77.54 (60) (a) In this subsection, “lump sum contract” means 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.

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

SECTION 2. Effective date.

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