



2013 SENATE BILL 448

December 16, 2013 – Introduced by Senators MOULTON, SHILLING, HARSDORF, GROTHMAN and SCHULTZ, cosponsored by Representatives NERISON, KULP, TAUCHEN, A. OTT, VRUWINK, MURSAU, RIPP, MARKLEIN, BROOKS, BALLWEG, PETRYK, MURPHY, JACQUE and SPIROS. Referred to Committee on Workforce Development, Forestry, Mining, and Revenue.

1 **AN ACT to renumber** 77.54 (6); **to renumber and amend** 77.54 (6r); and **to**
2 **create** 77.54 (6) (am) 4., 77.54 (6) (am) 5. and 77.54 (6) (bn) of the statutes;
3 **relating to:** the sales and use tax exemption for equipment used in a fertilizer
4 blending, feed milling, or grain drying operation.

Analysis by the Legislative Reference Bureau

Current law provides a sales and use tax exemption for machines and specific processing equipment used by a manufacturer in manufacturing tangible personal property. The exemption, however, does not apply, generally, to tangible personal property that is fastened to, connected to, or built into real property. Under current law, the sale of machines and specific processing equipment used to manufacture feed is exempt from the sales and use tax unless such items become part of real property.

Current law also provides a sales and use tax exemption for tangible personal property and equipment used in farming. That exemption applies to certain tangible personal property such as conveyors, feed elevators and augers, and grain dryers and grinders, regardless of the extent to which such property is fastened to, connected to, or built into real property. Under current law, a feed manufacturer is not considered to be engaged in the business of farming.

This bill provides a sales and use tax exemption for the sale of specific processing equipment used in a fertilizer blending, feed milling, or grain drying operation, including holding structures used for weighing and dropping feed or fertilizer ingredients into a mixer, wet corn holding bins, mixers, conveying

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equipment, and grinding, mixing, and saturation bins, regardless of whether such items become an addition to, a component of, or a capital improvement of real property. The exemption also applies to building materials used to construct or repair certain holding structures used in the fertilizer blending, feed milling, or grain drying operation.

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:

1 **SECTION 1.** 77.54 (6) of the statutes is renumbered 77.54 (6) (am).

2 **SECTION 2.** 77.54 (6) (am) 4. of the statutes is created to read:

3 77.54 **(6)** (am) 4. Machines and specific processing equipment used exclusively
4 and directly in a fertilizer blending, feed milling, or grain drying operation, including
5 holding structures used for weighing and dropping feed or fertilizer ingredients into
6 a mixer, wet corn holding bins, grain dryers, mixers, conveying equipment, and
7 grinding, mixing, and saturation bins, regardless of whether such items become an
8 addition to, a component of, or a capital improvement of real property. The
9 exemption under this subdivision applies to repair parts, replacements, and safety
10 attachments for such machines and equipment.

11 **SECTION 3.** 77.54 (6) (am) 5. of the statutes is created to read:

12 77.54 **(6)** (am) 5. Building materials acquired solely for and used solely in the
13 construction or repair of holding structures used for weighing and dropping feed or
14 fertilizer ingredients into a mixer or for storage of grain, if such structures are used
15 in a fertilizer blending, feed milling, or grain drying operation.

16 **SECTION 4.** 77.54 (6) (bn) of the statutes is created to read:

