State

S&L

2015 DRAFTING REQUEST

Bill						
Receive	ed: 9/18/201 5	5		Received By:	jkreye	
For:	Richard	Richard Gudex (608) 266-5300		Same as LRB:	-3758	
May Co	ntact:			By/Representing:	lance	
Subject: Tax, Other - sales				Drafter:	jkreye	
				Addl. Drafters:		
				Extra Copies:		
Request	via email: ter's email: copy (CC) to:	YES Sen.Gudex joseph.krey				
Pre To	pic:					
No spec	cific pre topic giv	/en				
Topic:						
Tax on	occasional sales	by nonprofit orga	nizations			
Instruc	etions:					
See atta	ched					
Draftin	ng History:					
Vers.	<u>Drafted</u>	Reviewed	Proofed	Submitted	<u>Jacketed</u>	Required
/?	jkreye 9/18/2015		· · · · · · · · · · · · · · · · · · ·			
/P1	jkreye 9/21/2015	jdyer 9/21/2015		mbarman 9/21/2015		State S&L Tax

mbarman 9/21/2015

jkreye 9/30/2015

eweiss

9/21/2015

/P2

Vers.	<u>Drafted</u>	Reviewed	<u>Proofed</u>	Submitted	<u>Jacketed</u>	<u>Required</u> Tax
/P3	jkreye 10/29/2015	jdyer 10/1/2015		mbarman 10/1/2015		State S&L Tax
/1		anienaja 10/29/2015		lparisi 10/29/2015	lparisi 11/23/2015	State S&L Tax

FE Sent For:

<**END**>

Kreye, Joseph

From:

Shovers, Marc

Sent:

Friday, September 18, 2015 3:39 PM

To: Cc: Burri, Lance Kreye, Joseph

Subject:

RE: need a draft regarding sales tax on non-profits

Hi Lance:

No, sales tax is Joe's area.

Marc

From: Burri, Lance

Sent: Friday, September 18, 2015 1:16 PM

To: Shovers, Marc < Marc.Shovers@legis.wisconsin.gov> **Subject:** need a draft regarding sales tax on non-profits

Marc, we've been asked to do something to ease the sales tax on non-profits who sell things. It's in 77.54(7m). Is this your area?

The changes we'd like to make:

- Increase the annual threshold from \$25,000 to \$50,000
- Increase the allowed number of days from 20 to 75
- Remove the maximum amount a non-profit can pay for entertainment.

Let me know if you have any questions. Thanks.

Lance Burri Office of Sen. Rick Gudex 608-266-5300



State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3306/P1

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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AN ACT to amend 77.54 (7m) of the statutes; relating to: the sales tax exemption

for occasional sales by nonprofit organizations.

Analysis by the Legislative Reference Bureau

This bill provides that occasional sales of tangible personal property or services made by nonprofit organizations are exempt from the sales tax if such sales occur on no more than 75 days during the year and the receipts from such sales do not exceed \$50,000. Under current law, such sales are exempt if they occur on no more than 20 days during the year and the receipts from such sales do not exceed \$25,000.

Under current law, if a nonprofit organization sells admissions to an event involving entertainment, the sale of those admissions are exempt from the sales tax only if the payment for the entertainment is no more than \$500. Under the bill, the sale of those admissions is exempt if they occur on no more than 75 days during the year and the receipts do not exceed \$50,000.

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

SECTION 1. 77.54 (7m) of the statutes is amended to read:

77.54 (7m) Occasional sales of tangible personal property, or items or property under s. 77.52 (1) (b) or (c), or services, including admissions or tickets to an event; by a neighborhood association, church, civic group, garden club, social club or similar nonprofit organization; not involving entertainment for which payment in the aggregate exceeds \$500 \$50,000 for performing or as reimbursement of expenses unless access to the event may be obtained without payment of a direct or indirect admission fee; conducted by the organization if the organization is not engaged in a trade or business and is not required to have a seller's permit. For purposes of this subsection, an organization is engaged in a trade or business and is required to have a seller's permit if its sales of tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), and services, not including sales of tickets to events, and its events occur on more than 20 75 days during the year, unless its receipts do not exceed \$25,000 \$50,000 during the year. The exemption under this subsection does not apply to the sales price from the sale of bingo supplies to players or to the sale, rental or use of regular bingo cards, extra regular cards and special bingo cards.

SECTION 2. Initial applicability.

(1) This act first applies to sales made in 2016.

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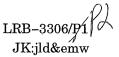
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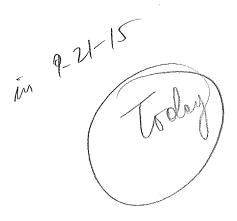
19



State of Misconsin 2015 - 2016 LEGISLATURE



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION



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(END)

Kreye, Joseph

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From:

Burri, Lance

Sent:

Wednesday, September 30, 2015 4:34 PM

To:

Kreye, Joseph

Subject:

RE: need a draft regarding sales tax on non-profits

Joe, need a couple more changes. Instead of eliminating the price limit on entertainment, we want to raise it from \$500 to \$10,000. And then the phrase "not including sales of tickets to events" that's crossed out on lines 12 and 13, we want to leave that in.

Thanks.

Lance Burri Office of Sen. Rick Gudex 608-266-5300

From: Kreye, Joseph

Sent: Friday, September 18, 2015 4:12 PM

To: Shovers, Marc < Marc. Shovers@legis.wisconsin.gov>; Burri, Lance < Lance.Burri@legis.wisconsin.gov>

Subject: RE: need a draft regarding sales tax on non-profits

I'm on it.

Joseph T. Kreye

Legal Services Manager Legislative Reference Bureau 608 266-2263

From: Shovers, Marc

Sent: Friday, September 18, 2015 3:39 PM

To: Burri, Lance < Lance.Burri@legis.wisconsin.gov > Cc: Kreye, Joseph < Joseph.Kreye@legis.wisconsin.gov > Subject: RE: need a draft regarding sales tax on non-profits

Hi Lance:

No, sales tax is Joe's area.

Marc

From: Burri, Lance

Sent: Friday, September 18, 2015 1:16 PM

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The changes we'd like to make:

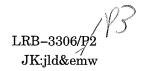
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State of Misconsin 2015 - 2016 LEGISLATURE



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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The payment for the enterlainment \$10,000.

AN ACT to amond 77

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by a neighborhood association, church, civic group, garden club, social club or similar

nonprofit organization; not involving entertainment for which payment in the

aggregate exceeds \$500\for performing or as reimbursement of expenses unless

access to the event may be obtained without payment of a direct or indirect admission

fee; conducted by the organization if the organization is not engaged in a trade or

business and is not required to have a seller's permit. For purposes of this

subsection, an organization is engaged in a trade or business and is required to have

a seller's permit if its sales of tangible personal property, and items, property, and

goods under s. 77.52 (1) (b), (c), and (d), and services, not including sales of tickets

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or to the sale, rental or use of regular bingo cards, extra regular cards and special

\$10,000

1 **Section 1.** 77.54 (7m) of the statutes is amended to read:

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Section 2. Initial applicability.

(1) This act first applies to sales made in 2016.

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(END)



State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3306/P3
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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 AN ACT to amend 77.54 (7m) of the statutes; relating to: the sales tax exemption

for occasional sales by nonprofit organizations.

Analysis by the Legislative Reference Bureau

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(END)

Parisi, Lori

From:

Burri, Lance

Sent:

Monday, November 23, 2015 2:45 PM

To:

LRB.Legal

Subject:

Draft Review: LRB -3306/1

Please Jacket LRB -3306/1 for the SENATE.