

2015 DRAFTING REQUEST

Bill

Received: **9/18/2015** Received By: **jkreye**
For: **Richard Gudex (608) 266-5300** Same as LRB: **-3758**
May Contact: By/Representing: **lance**
Subject: **Tax, Other - sales** Drafter: **jkreye**
Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Sen.Gudex@legis.wisconsin.gov**
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Tax on occasional sales by nonprofit organizations

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 9/18/2015		_____			
/P1	jkreye 9/21/2015	jdyer 9/21/2015	_____	mbarman 9/21/2015		State S&L Tax
/P2	jkreye 9/30/2015	eweiss 9/21/2015	_____	mbarman 9/21/2015		State S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
						Tax
/P3	jkreye 10/29/2015	jdye 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:



A+
Intro.

<END>

Kreye, Joseph

From: Shovers, Marc
Sent: Friday, September 18, 2015 3:39 PM
To: Burri, Lance
Cc: 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 Wisconsin
2015 - 2016 LEGISLATURE

LRB-3306/P1

fin
VK JLD
+
emw

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in Friday 9-18

due Monday 9-21

X

Regen

- 1 AN ACT to amend 77.54 (7m) of the statutes; relating to: the sales tax exemption
- 2 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

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

2 77.54 (7m) Occasional sales of tangible personal property, or items or property
3 under s. 77.52 (1) (b) or (c), or services, including admissions or tickets to an event;
4 by a neighborhood association, church, civic group, garden club, social club or similar
5 nonprofit organization; not involving entertainment for which payment in the
6 aggregate exceeds ~~\$500~~ \$50,000[✓] for performing or as reimbursement of expenses
7 unless access to the event may be obtained without payment of a direct or indirect
8 admission fee; conducted by the organization if the organization is not engaged in a
9 trade or business and is not required to have a seller's permit. For purposes of this
10 subsection, an organization is engaged in a trade or business and is required to have
11 a seller's permit if its sales of tangible personal property, and items, property, and
12 goods under s. 77.52 (1) (b), (c), and (d), and services, ~~not including sales of tickets~~
13 ~~to events~~, and its events occur on more than ~~20~~ 75[✓] days during the year, unless its
14 receipts do not exceed ~~\$25,000~~ \$50,000[✓] during the year. The exemption under this
15 subsection does not apply to the sales price from the sale of bingo supplies to players
16 or to the sale, rental or use of regular bingo cards, extra regular cards and special
17 bingo cards.

18 **SECTION 2. Initial applicability.**

19 (1) This act first applies to sales made in 2016.[✓]

20 (END)



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

im 9-21-15
Today

S.A. ✓
Xref ✓

- 1 AN ACT *to amend* 77.54 (7m) of the statutes; **relating to:** the sales tax exemption
- 2 for occasional sales by nonprofit organizations.

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3 under s. 77.52 (1) (b) or (c), or services, including admissions or tickets to an event;
4 by a neighborhood association, church, civic group, garden club, social club or similar
5 nonprofit organization; ~~not involving entertainment for which payment in the~~
6 ~~aggregate exceeds \$500~~ \$50,000 ~~for performing or as reimbursement of expenses~~
7 ~~unless access to the event may be obtained without payment of a direct or indirect~~
8 ~~admission fee;~~ conducted by the organization if the organization is not engaged in a
9 trade or business and is not required to have a seller's permit. For purposes of this
10 subsection, an organization is engaged in a trade or business and is required to have
11 a seller's permit if its sales of tangible personal property, and items, property, and
12 goods under s. 77.52 (1) (b), (c), and (d), and services, ~~not including sales of tickets~~
13 ~~to events,~~ and its events occur on more than 20 75 days during the year, unless its
14 receipts do not exceed \$25,000 \$50,000 during the year. The exemption under this
15 subsection does not apply to the sales price from the sale of bingo supplies to players
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18 **SECTION 2. Initial applicability.**

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

20

(END)

Kreye, Joseph

3306

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

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Let me know if you have any questions. Thanks.

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



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3306/P2
JK:jld&emw

1/13

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

due
Friday 10-2

if the payment for the entertainment is no more than \$10,000

4

Regen

1 AN ACT to amend 77.54 (7m) of the statutes; relating to: the sales tax exemption
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\$10,000 ✓

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6 ~~aggregate exceeds \$500 for performing or as reimbursement of expenses unless~~
7 ~~access to the event may be obtained without payment of a direct or indirect admission~~
8 ~~fee;~~ conducted by the organization if the organization is not engaged in a trade or
9 business and is not required to have a seller's permit. For purposes of this
10 subsection, an organization is engaged in a trade or business and is required to have
11 a seller's permit if its sales of tangible personal property, and items, property, and
12 goods under s. 77.52 (1) (b), (c), and (d), and services, ~~not including sales of tickets~~
13 ~~to events,~~ and its events occur on more than ~~20~~ 75 days during the year, unless its
14 receipts do not exceed ~~\$25,000~~ \$50,000 during the year. The exemption under this
15 subsection does not apply to the sales price from the sale of bingo supplies to players
16 or to the sale, rental or use of regular bingo cards, extra regular cards and special
17 bingo cards.

PLAIN

PLAIN

PLAIN

PLAIN

18 SECTION 2. Initial applicability.

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

20 (END)



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-3306/P3

JK:jld/emw/ann

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA

Today

10-29

Regent

- 1 AN ACT *to amend* 77.54 (7m) of the statutes; **relating to:** the sales tax exemption
- 2 for occasional sales by nonprofit organizations.

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5 nonprofit organization; not involving entertainment for which payment in the
6 aggregate exceeds \$500 \$10,000 for performing or as reimbursement of expenses
7 unless access to the event may be obtained without payment of a direct or indirect
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9 trade or business and is not required to have a seller's permit. For purposes of this
10 subsection, an organization is engaged in a trade or business and is required to have
11 a seller's permit if its sales of tangible personal property, and items, property, and
12 goods under s. 77.52 (1) (b), (c), and (d), and services, not including sales of tickets *taxable*
13 to events, and its events occur on more than ~~20~~ 75 days during the year, unless its
14 receipts do not exceed ~~\$25,000~~ \$50,000 during the year. The exemption under this
15 subsection does not apply to the sales price from the sale of bingo supplies to players
16 or to the sale, rental or use of regular bingo cards, extra regular cards and special
17 bingo cards.

18 **SECTION 2. Initial applicability.**

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

20

(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.