

*STATE OF WISCONSIN**REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS**2015 SENATE BILL 443*

[Introduced by Senators Marklein, Ringhand and Nass; cosponsored by Representatives Novak, Spreitzer, Ballweg, E. Brooks, Considine, Horlacher, Jarchow and Sinicki.]

General Nature of the Proposal

Under current law, the sale of landscaping and lawn maintenance services is subject to sales tax. 2015 Senate Bill 443 specifies that, for purposes of assessing that tax, landscaping and lawn maintenance services do not include the installation of plants native to Wisconsin, including the planning and design for such installation, if the seller installs the plants in the restoration, reclamation, or revitalization of 10 or more contiguous acres of prairie, savanna, or wetlands to improve land, soil, or water quality, or to improve biodiversity or other ecosystem functions. Under the bill, the exemption does not apply to installations on golf courses.

Additionally, Senate Bill 443 specifies that a provider of the exempt installation services described above is liable for sales tax on its purchase of tangible personal property that is transferred to a customer via the installation.

Legality Involved

There are no issues of legality involved.

Fiscal Effect Upon the State and Its Subdivisions

Based on review of Department of Revenue (DOR) and Department of Natural Resources records, and assumptions about the value of materials transferred to installation customers in relation to installation sales, DOR estimates that Senate Bill 443 would reduce state sales tax revenue by about \$230,000 on an annual basis. Additionally, DOR estimates the bill would reduce county and baseball stadium district sales tax revenue by about \$17,000 per year.

Public Policy Involved

The Joint Survey Committee on Tax Exemptions finds that there is appropriate public policy on the tax exemptions in Senate Bill 443.

01/28/16

JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS