# 2015 DRAFTING REQUEST

**Senate Amendment (SA-SB443)** 

Received: 1/5/2016				Received By:	jkreye	
For:	Howard Marklein (608) 266-0703			Same as LRB:		
May Contact:				By/Representing:	crystal	
Subject	: Tax, Ot	her - sales	Drafter:	jkreye		
				Addl. Drafters:		
				Extra Copies:		
Submit via email:  Requester's email:  Carbon copy (CC) to:  YES  Sen.Marklein@legis.wi.g  joseph.kreye@legis.wisc						
Pre To	pic:					
No spec	cific pre topic gi	ven				
Topic:						
Sales ta	x on ecosystem	restoration service	es; DOR technic	cal concerns		
Instruc	ctions:					
See atta	ached					
Draftin	ng History:					
Vers.	<u>Drafted</u>	Reviewed	Proofed	Submitted	Jacketed	Required
/1	jkreye 1/5/2016	kmochal 1/5/2016		mbarman 1/5/2016	mbarman 1/5/2016	
FE Sen	t For:	,				
			<end></end>			

### Kreye, Joseph

From:

Potts, Crystal

Sent:

Tuesday, January 05, 2016 12:44 PM

To:

Kreye, Joseph

Subject:

Amendment Request to SB 443

Joe-

I was contacted by DOR with a potential conflict between the bill and one of the amendments. I have included their interpretation below:

The newly-created sec. 77.52(2m)(c), Stats., deems the sale of the seeds and plants to be a separate sale from the sale of the services. This is to allow the seller to purchase the seeds and plants without tax, for resale. Since **the sale** of the services, plants, and seeds would also be exempt from tax, this would, in effect, create a "flow-through" exemption.

This new language (created sec. 77.52(2m)(c), Stats.) conflicts with the language of the original bill. The original bill creates sec. 77.51(13)(q), Stats., to deem a person to be a retailer when selling plants (and seeds, per the amendment) to the seller/installer. This language is intended to make it clear that the seller/installer is the consumer of the plants and seeds and owes sales or use tax on its purchase of such plants and seeds.

Therefore, <u>SB 443</u> with <u>SA1 to SB443</u> does **both** of the following:

- Makes the seller/installer the consumer of the plants and seeds (must pay sales or use tax on its purchase of the plants and seed).
- Allows the seller/installer to purchaser the plants and seeds without tax, for resale.

The conflict can be resolved by deleting Section 1 of <u>SB 443</u>, which creates sec. 77.51(13)(q), Stats. The service provider will, in effect, be allowed a "flow-through" exemption on its purchase of plants and seeds (i.e., service provider may purchase plants and seeds without tax, for resale AND service provider's sale of the installed plants and seeds will not be taxable).

It sounds like if we had an amendment drafted that deleted section 1 of the original bill, we would be ok moving forward.

I apologize for all these amendments. I thought we had worked through some of these issues, but they keep popping up.

Thanks for your understanding. Let me know if you have any questions.

Thanks,

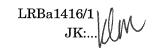
Crystal L. Potts | Chief of Staff | Office of State Senator Howard Marklein
17<sup>th</sup> Senate District | 608-266-0703 | <a href="http://legis.wisconsin.gov/senate/17/marklein">http://legis.wisconsin.gov/senate/17/marklein</a>





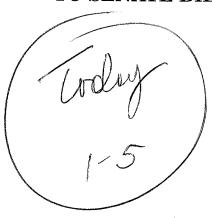


# State of Misconsin 2015 - 2016 LEGISLATURE



# SENATE AMENDMENT,

# **TO SENATE BILL 443**



1 At the locations indicated, amend the bill as follows:

1. Page 1, line 3: delete the material beginning with that line and ending with

3 page 2, line 3.

2

4

(END)