

2015 DRAFTING REQUEST

Bill

Received: **7/16/2015** Received By: **jkreye**
For: **Howard Marklein (608) 266-0703** Same as LRB:
May Contact: By/Representing: **crystal**
Subject: **Tax, Other - sales** Drafter: **jkreye**
Addl. Drafters:
Extra Copies:

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

Pre Topic:

No specific pre topic given

Topic:

Sales and use tax exemption for certain construction activities

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 7/16/2015		_____			
/P1	jkreye 7/23/2015	jdyer 7/17/2015	_____	sbasford 7/17/2015		State S&L Tax
/1		kfollett 7/23/2015	_____	srose 7/23/2015	srose 7/23/2015	State S&L

Vers. Drafted

Reviewed

Proofed

Submitted

Jacketed

Required
Tax

FE Sent For:

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INTRO

<END>

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Please jacket slash 1 Joe

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/P1		jdye 7/17/2015	_____	sbasford 7/17/2015		State S&L Tax

FE Sent For:

<END>

Kreye, Joseph

From: Coenen, Scott
Sent: Thursday, July 16, 2015 4:09 PM
To: Kreye, Joseph
Subject: RE: Drafting Request: LRBb0725/1

Joe,

Just wanted to make one more note about this legislation. There was some confusion about whether or not sewer system infrastructure was included in the list of exempt work. We would like sewerage and waste water treatment facilities to be included in this. Please feel free to email or call with any questions!

Thank you,

~Scott

Scott Coenen
Office of State Senator Howard Marklein
17th Senate District
(608) 266-0703
Scott.Coenen@legis.wi.gov



From: Potts, Crystal
Sent: Monday, July 13, 2015 2:11 PM
To: Kreye, Joseph
Cc: Coenen, Scott
Subject: Drafting Request: LRBb0725/1

Joe—

Senator Marklein asked that I reach out to you with a request to draft LRBb0725/1, which was originally a budget amendment, into a separate bill. This would be the language that creates a sales and use tax exemption for construction materials used in projects for municipal, school district, and non-profit entities. We would like to use the same language that is in the LRB.

Please let me know if you have any questions about this request or if there may be some issue with this language accomplishing our intent.

Thanks you,

Crystal Potts
Chief of Staff
Office of State Senator Howard Marklein
17th Senate District
608-266-0703
Crystal.Potts@legis.wi.gov



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2751/P1

JK: Jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in thru 7-16
due Friday 7-17

4

Gen

1 AN ACT ...; relating to: a sales and use tax exemption for building materials that
2 become a part of a facility for a local unit of government or nonprofit
3 organization.

Analysis by the Legislative Reference Bureau

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a county, municipality, school district, or nonprofit organization is exempt from the sales tax and the use tax. The exemption applies to tangible personal property purchased by a construction contractor who transfers the property to the county, municipality, school district, or nonprofit organization as part of constructing the facility.

Currently,

Under current law, counties, municipalities, school districts, and nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. A construction contractor hired by the county, municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a county, municipality, school district, or nonprofit organization construction project.

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 (9m) of the statutes is created to read:

2 77.54 (9m) The sales price from the sale of and the storage, use, or other
3 consumption of tangible personal property, or items or property under s. 77.52 (1) (b)
4 or (c), sold to a construction contractor who, in fulfillment of a real property
5 construction activity, transfers the tangible personal property, or items or property
6 under s. 77.52 (1) (b) or (c), to an entity described under sub. (9a) (b) or (f), if such
7 tangible personal property, or items or property, becomes a component of a facility
8 in this state that is owned by the entity. In this subsection, “facility” means any
9 building, shelter, parking lot, parking garage, athletic field, athletic park, storm
10 sewer, water supply system, or sewerage and waste water treatment facility, but does
11 not include a highway, street, or road.

12 **SECTION 2. Initial applicability.**

13 (1) This act first applies to contracts entered into on January 1, 2016.

14 **SECTION 3. Effective date.**

15 (1) This act takes effect on January 1, 2016.

16

(END)



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2751/P1
JK:jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Today 7-23

- 1 **AN ACT to create** 77.54 (9m) of the statutes; **relating to:** a sales and use tax
2 exemption for building materials that become a part of a facility for a local unit
3 of government or nonprofit organization.

Analysis by the Legislative Reference Bureau

Under this bill, the sale of tangible personal property that becomes a component of a facility in this state that is owned by a county, municipality, school district, or nonprofit organization is exempt from the sales tax and the use tax. The exemption applies to tangible personal property purchased by a construction contractor who transfers the property to the county, municipality, school district, or nonprofit organization as part of constructing the facility.

Under current law, counties, municipalities, school districts, and nonprofit organizations are exempt from paying the sales tax and the use tax on purchases of tangible personal property. Currently, a construction contractor hired by the county, municipality, school district, or nonprofit organization may not receive the exemption for property purchased by the contractor to be used for a county, municipality, school district, or nonprofit organization construction project.

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