

*STATE OF WISCONSIN**REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS**2015 ASSEMBLY BILL 608*

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

General Nature of the Proposal

Under current law, the sale of landscaping and lawn maintenance services is subject to sales tax. 2015 Assembly Bill 608 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, Assembly Bill 608 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 Assembly Bill 608 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 Assembly Bill 608.

01/28/16

JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS