

**2017 DRAFTING REQUEST**

**Assembly Substitute Amendment (ASA-AB402)**

For: **André Jacque (608) 266-9870**

Drafter: **jkreye**

By: **adam**

Secondary Drafters: **kpleviak**

Date: **2/13/2018**

May Contact:

Same as LRB:

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

**Pre Topic:**

No specific pre topic given

**Topic:**

Sales and use tax exemption for sales to a state veterans organization; DOR technical

**Instructions:**

See attached

*Acc lost jacket - gave new one 2-14-18 SP*

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 2/13/2018	anienaja 2/13/2018			
/1			dwalker 2/13/2018	dwalker 2/13/2018	

FE Sent For:

<END>

## Kreye, Joseph

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**From:** Tobias, Adam  
**Sent:** Tuesday, February 13, 2018 12:15 PM  
**To:** Kreye, Joseph  
**Subject:** Amendment to AB 402 (Please put a rush on it)

Joseph,

I just left a voicemail at your office but wanted to follow up with an email.

We were recently informed that Rep. Macco will hold an exec on AB 402 (LRB-1001/2) if we put together an amendment on language that was provided to us by DOR.

Please see the language below:

✓ Delete Section 1 of AB 402 and create sec. 77.54(9g), Wis. Stats., to provide an exemption for the following:

(9g) The sales price from sales to, and the storage by, use by, or other consumption of products by a state veterans organization, as defined in s. 45.41 (1) (b), except products used primarily in preparing, storing, serving, selling, or delivering food and beverages sold by the organization. For purposes of this subsection, preparing, storing, serving, selling, or delivering food and beverages sold by the organization includes the cleaning of machinery and equipment prior to, during, and after the preparation of the food and beverages sold.

Amend Section 2 of AB 402 as follows:

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

✓ Amend sec. 77.51(11d), Wis. Stats., as follows:

(11d) For purposes of subs. (1ag), (1f), (3pf), and (9p) and ss. 77.52 (20) and (21), 77.522, and 77.54 (9g), (51), (52), and (60), "product" includes tangible personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d), and services.

The exec is tomorrow morning, so can you please make this a top priority and put a rush on it so we can get it to Rep. Macco and other committee members as soon as possible? We would really appreciate it.

If you have any questions, please don't hesitate to contact us.

Kindest regards,

Adam Tobias  
Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District  
608-266-9870  
Office 212 North

*NOTE: Emails sent to and from this account may be subject to open records requests and should not be considered private.*



50324/1

LRB-1001/2  
JK:ahed amw

ASA to

**2017 ASSEMBLY BILL 402**

JA

NOW 2-13

June 21, 2017 - Introduced by Representatives JACQUE, SKOWRONSKI, BALLWEG, BERNIER, EDMING, FELZKOWSKI, GANNON, GOYKE, KOLSTE, KULP, MURPHY, MURSAU, SUBECK, TITTL, TUSLER and THIESFELDT, cosponsored by Senators LEMAHIEU, WANGGAARD, VUKMIR, HANSEN and CRAIG. Referred to Joint Survey Committee on Tax Exemptions.

re par

1 AN ACT to amend 77.54 (9m); and to create 77.54 (9a) (j) of the statutes;  
2 relating to: a sales and use tax exemption for sales to a state veterans  
3 organization.

**Analysis by the Legislative Reference Bureau**

This bill creates a sales and use tax exemption for tangible personal property and taxable services sold to a state veterans organization. The exemption also applies to building materials purchased by a construction contractor who transfers the materials to a state veterans organization as part of constructing a facility for the organization.

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:**

4 SECTION 1. 77.54 (9a) (j) of the statutes is created to read:  
5 77.54 (9a) (j) A state veterans organization, as defined in s. 45.41 (1) (b).

Insert 1-5

e

**ASSEMBLY BILL 402**

**SECTION 2**

*or sub. (9g)*

1 **SECTION 2.** 77.54 (9m) of the statutes is amended 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), (c), (d), (em),  
 7 *plain* ~~or (f)~~, *e* ~~or (j)~~, if such tangible personal property, or items or property, becomes a  
 8 component of a facility in this state that is owned by the entity. In this subsection,  
 9 "facility" means any building, shelter, parking lot, parking garage, athletic field,  
 10 athletic park, storm sewer, water supply system, or sewerage and waste water  
 11 treatment facility, but does not include a highway, street, or road.

*Insert 2-11*

12 **SECTION 3.** <sup>5</sup> **Initial applicability.**

13 (1) The treatment of section 77.54 (9m) of the statutes first applies to contracts  
 14 entered into on the effective date of this subsection.

*only SECTION 3*

*first day of the 3rd month beginning after publication*

15 **SECTION 4. Effective date.**

16 (1) This act takes effect on the first day of the 3rd month beginning after  
 17 publication.

18 (END)

*Insert 2-17*

2017-2018 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0324/?ins

JK...*amw*

Insert 1 - 5

SA  
Xref  
Pwf

1           **SECTION 1.** 77.51 (11d) of the statutes is amended to read:

2           **77.51 (11d)** For purposes of subs. (1ag), (1f), (3pf), and (9p) and ss. 77.52 (20)  
3           and (21), 77.522, and 77.54 (9g), (51), (52), and (60), “product” includes tangible  
4           personal property, and items, property, and goods under s. 77.52 (1) (b), (c), and (d),  
5           and services.

**History:** 1973 c. 333; 1975 c. 39, 41, 99, 224; 1975 c. 413 s. 18; 1977 c. 29, 418; 1979 c. 1 ss. 57 to 59, 61, 62; 1979 c. 174; 1981 c. 20; 1981 c. 79 s. 17; 1983 a. 23, 27; 1983 a. 189 ss. 92 to 108, 329 (12); 1983 a. 510, 538; 1983 a. 544 ss. 13 to 46, 47 (1) (b); 1985 a. 29, 332; 1987 a. 27, 399; 1989 a. 31, 335, 336; 1991 a. 39, 269, 316; 1993 a. 16, 112, 184; 1997 a. 27, 237; 1999 a. 9, 83; 2001 a. 45, 102; 2003 a. 48; 2005 a. 25, 327, 441, 479; 2007 a. 11, 20, 130; 2009 a. 2 ss. 225 to 345, 389; 2009 a. 12 s. 18; 2009 a. 28 ss. 1830b to 1836h, 1844 to 1846; 2009 a. 276, 330; 2011 a. 208; 2013 a. 20 ss. 1475 to 1484, 1489 to 1491; 2015 a. 55, 170, 361; 2017 a. 17, 59; s. 35.17 correction in (13b) (a) 3.

6           **SECTION 2.** 77.54 (9g) of the statutes is created to read:

7           ~~77.54 (9g)~~ The sales price from sales to, and the storage by, use by, or other  
8           consumption of products by a state veterans organization, as defined in s. 45.41 (1)  
9           (b), except products used primarily in preparing, storing, serving, selling, or  
10          delivering food and beverages sold by the organization. For purposes of this  
11          subsection, preparing, storing, serving, selling, or delivering food and beverages sold  
12          by the organization includes the cleaning of machinery and equipment before,  
13          during, and after the preparation of the food and beverages sold.

4  
Insert 2 - 11

14          ~~SECTION 3.~~ 77.54 (9m) of the statutes, as affected by 2017 Wisconsin Act 59, is  
15          amended to read:

16          ~~77.54 (9m)~~ The sales price from the sale of and the storage, use, or other  
17          consumption of tangible personal property, or items or property under s. 77.52 (1) (b)  
18          or (c), sold to a construction contractor who, in fulfillment of a real property  
19          construction activity, transfers the tangible personal property, or items or property  
20          under s. 77.52 (1) (b) or (c), to an entity described under sub. (9a) (b), (c), (d), (em),  
21          or (f) or sub. (9g), a technical college district, the Board of Regents of the University

1 of Wisconsin System, an institution, as defined in s. 36.05 (9), a college campus, as  
 2 defined in 36.05 (6m), or the University of Wisconsin-Extension, if such tangible  
 3 personal property, or items or property, becomes a component of a facility in this state  
 4 that is owned by the entity. In this subsection, "facility" means any building, shelter,  
 5 parking lot, parking garage, athletic field, athletic park, storm sewer, water supply  
 6 system, or sewerage and waste water treatment facility, but does not include a  
 7 highway, street, or road.

NOTE: Sub. (9m) is shown as amended eff. 7-1-18 by 2017 Wis. Act 59. Prior to 7-1-18 it reads:

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

History: 1971 c. 64, 154, 215, 311; 1973 c. 90, 156, 240; 1975 c. 39, 96, 102, 146, 200; 1977 c. 29; 1977 c. 83 ss. 13, 26; 1977 c. 250, 368, 418; 1979 c. 1, 34, 87, 174; 1981 c. 20; 1981 c. 79 s. 18; 1981 c. 96 s. 67; 1981 c. 264; 1981 c. 282 s. 47; 1981 c. 317; 1983 a. 27 ss. 1284d to 1284np, 2202 (38); 1983 a. 189 ss. 101, 106, 329 (5), (12), (13); 1983 a. 192, 287, 405, 426, 498, 510, 538, 544; 1985 a. 29, 149, 332; 1987 a. 27; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31, 238, 270, 335, 359; 1991 a. 37, 39, 269, 316; 1993 a. 16, 263, 332; 1995 a. 27, 125, 225, 227; 1997 a. 27, 35, 41, 184, 237, 291; 1999 a. 9, 65, 83; 1999 a. 150 s. 672; 1999 a. 167; 2001 a. 16, 103, 109; 2003 a. 99, 128; 2005 a. 25, 74, 141, 149, 335, 366, 479; 2007 a. 11, 19, 20, 97, 130; 2009 a. 2, 28, 185, 204, 330; 2011 a. 7, 10, 32, 208, 260; 2013 a. 20, 145, 185, 324, 346; 2015 a. 55, 60, 126, 216, 251, 364; 2017 a. 17, 58, 59; s. 13.92 (1) (bm) 2; s. 35.17 correction in (2m).

**Insert 2 - 17**

8 **SECTION 4. Effective dates.** This act takes effect on the first day of the 3rd  
 9 month beginning after publication, except as follows:

10 (1) The treatment of section 77.64 (9m) ~~by SECTION 4~~ of the statutes takes  
 11 effect on July 1, 2018.

*Handwritten notes:*  
 - A circled '4' with a line pointing to 'SECTION 4' in the text above.  
 - The word 'Auto' written below the circled '4'.  
 - Other illegible scribbles and initials.