

**REPORT
STATE OF WISCONSIN
JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS
2023 SENATE BILL 351**

[Introduced by Senator Bradley and cosponsored by Representative Steffen]

This report relates to 2023 Senate Bill 351, relating to creating a sales and use tax exemption for the sale of certain memberships to a real estate broker.

GENERAL NATURE OF PROPOSAL

The bill creates an exemption from the sales and use tax for the sale of a membership to a licensed real estate broker who, pursuant to a membership agreement, offers to compensate and cooperate with other real estate brokers in brokering sales of properties.

LEGALITY INVOLVED

There are no questions of legality involving the tax exemption provisions created in the bill.

FISCAL EFFECT

The Department of Revenue estimates that the sales and use tax exemption will result in a state revenue decrease of about **\$37,500** annually, with a decrease in county sales tax revenue of about **\$3,000** annually. However, the department indicates that the actual decrease in sales tax collections is expected to be minimal given the level of compliance by affected parties under current law.

PUBLIC POLICY INVOLVED

The Joint Survey Committee on Tax Exemptions finds that the tax exemption related provisions in the bill are good public policy on a vote of Ayes, 8; Noes, 0.

02/08/24

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