

CHAPTER 652

AN ACT to repeal 71.15 (4); to renumber 20.800 (5), as created by chapter 620, laws of 1961, and 77.553, as created by chapter 620, laws of 1961; to renumber and amend 20.550 (10), as created by chapter 620, laws of 1961; to amend 20.551 (16), 20.650 (13) (intro. par.), 25.28 (1), 45.50 (2), 71.07 (6); 71.20 (2), (3), (4) and (8) (a), 77.52 (2) (a) 4, 77.54 (6) and (9a), 77.61 (4), 77.63 (1) and (1a) (a), 77.64 (1) (intro. par.), (a), (c), (2) and (3), as created by chapter 620, laws of 1961; 218.01 (6) (b) (intro. par.); to repeal and recreate 77.63 (1a) (b), as created by chapter 620, laws 1961; and to create 20.800 (6) (a), 71.09 (6) (e) and 77.62 of the statutes, relating to minor corrections in the program of tax revision and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.550 (10) of the statutes, as created by chapter 620, laws of 1961, is renumbered 20.552 (55) and amended to read:

20.552 (55) \$55,000,000 on * * * *March* 1, 1963, and annually thereafter on * * * *March* 1, to be distributed in accordance with s. 77.63.

SECTION 2. 20.551 (16) of the statutes is amended to read:

20.551 (16) Annually, such portion of the revenues derived during the fiscal year as may be necessary to pay to the teachers annuity and retirement fund of each city of the first class * * * the funds provided for under * * * s. 38.24 * * *.

SECTION 3. 20.650 (13) (intro. par.) of the statutes is amended to read:

20.650 (13) (intro. par.) Beginning July 1, 1959, \$104,400,000 for the biennium ending June 30, 1961 for the payment of the educational aids provided in ss. 40.655 (1) (a) and 40.66 to 40.73. * * * Of the amounts appropriated by this subsection there is allotted to the state superintendent a sum sufficient to meet the requirements of s. 40.71 (6).

SECTION 4. 20.800 (5) of the statutes, as created by chapter 620, laws of 1961, is renumbered 20.552 (56).

SECTION 5. 20.800 (6) (a) of the statutes is created to read:

20.800 (6) (a) *Contingent funds.* Out of the appropriations made for the administration of selective sales and use tax and the withholding provisions there is allotted, subject to the approval of the board on government operations such sums as may be necessary to be used for contingent funds to be expended to redeem bad checks returned to the state treasurer or state depositories and for purposes of establishing change funds in the amounts deemed necessary by the department.

SECTION 6. 25.28 (1) of the statutes is amended to read:

25.28 (1) The moneys paid into the retirement deposit fund as provided in ss. 42.39 to 42.46 and all other money received by it from any legal source, excepting sums legally disbursed from said fund and excepting sums transferred therefrom to the general fund or the annuity reserve fund, shall constitute the retirement deposit fund; the moneys legally transferred from the retirement deposit fund to the annuity reserve fund and all other moneys received by said latter fund from any legal source, ex-

cepting sums legally disbursed from said fund, constitute the annuity reserve fund; the * * * money received by said fund from any legal source, excepting sums legally disbursed therefrom constitute the contingent fund; and are appropriated to the state teachers' retirement board for carrying into effect the provisions of ss. 42.20 to 42.54.

SECTION 7. 45.50 (2) of the statutes is amended to read:

45.50 (2) The service of any person who is or was restored to a position in accordance with sub. (1) hereof shall be deemed not to be interrupted by such absence, except for the receipt of pay or other compensation for the period of such absence and he shall be entitled to participate in insurance, pensions, retirement plans or other benefits offered by the employer pursuant to established rules and practices relating to employes on furlough or leave of absence in effect with the employer at the time such person entered or was enlisted, inducted or ordered into such forces and service, and shall not be discharged from such position without cause within one year after such restoration; and such discharge is subject to all federal or state law affecting any municipal or private employment; and subject to the provisions of contracts that may exist between employer and employe. Each county, town, city or village shall contribute or pay from September 16, 1940 all contributions of the employer to the applicable and existent pension, annuity or retirement system as though the service of any such employe had not been interrupted by such military service, provided that in the case of teachers such payment shall be made as provided in * * * s. 38.24 * * * and chapter 42.

SECTION 8. 71.07 (6) of the statutes is amended to read:

71.07 (6) Liability to taxation for income which follows the residence of the recipient, in the case of persons other than corporations, who move into or out of the state within the year, shall be determined for such year on the basis of the income received (or accrued, if on the accrual basis) during the portion of the year that any such person was a resident of Wisconsin. * * * The net income of such person assignable to the state for such year shall be used in determining the income subject to assessment under this chapter.

SECTION 9. 71.09 (6) (e) of the statutes is created to read:

71.09 (6) (e) The deductions for personal exemptions provided for in this subsection shall be prorated as follows:

1. With respect to persons who move into or out of the state within the year on the basis of the time of residence within and without the state, and in any event a minimum total deduction for personal exemptions of \$5 shall be allowed.

2. With respect to nonresidents in the proportion of the income attributable to Wisconsin to the total income, and in any event a minimum total deduction for personal exemptions of \$5 shall be allowed.

SECTION 10. 71.15 (4) of the statutes is repealed.

SECTION 11. 71.20 (2), (3), (4) and (8) (a) of the statutes, as created by chapter 620, laws of 1961, are amended to read:

71.20 (2) Prior to * * * *February 1, 1962*, the department shall prepare, promulgate, and publish in the official state paper, without regard to the requirements of ch. 227, rules establishing withholding tables prepared on a weekly, biweekly, semimonthly, monthly, and daily or miscellaneous pay period basis. Such tables shall be based upon the normal tax rates and upon any surtax applicable to the income of the calendar year 1962. Thereafter, the department shall from time to time similarly correct such tables to reflect any changes in normal income tax rates or changes in surtax. Such rules shall also provide instructions for withholding with respect to quarterly, semiannual and annual pay periods. Such tables shall be ex-

tended to cover from zero to 10 withholding exemptions, shall assume that the payment of wages in each pay period will, when multiplied by the number of such pay periods in a year reasonably reflect the annual wage of the employe from such employer and shall be based on the further assumption that such annual wage should be reduced for allowable deductions from gross income. It is within the discretion of the department to determine the length of such tables and a reasonable span of each bracket. In preparing such tables the department shall adjust all withholding amounts not an exact multiple of 10 cents to the next highest figure that is a multiple of 10 cents.

(3) On and after * * * *February 1, 1962*, at the time of payment of wages to a nonresident employe which wages were derived from the performance of services both within and without Wisconsin, the employer shall deduct and withhold thereon the amount as reflected by the proper withholding table, reduced by the percentage the wages for services performed outside the state were of the total wages included in such payment.

(4) Every employer who deducts and withholds any amount under this section shall deposit such amount within 20 days of the close of the month in which withheld, with such bank in Wisconsin as the state of Wisconsin investment board designates a public depository therefor under * * * *s. 25.17 (61)* to the credit of the state general fund. With each such deposit the employer shall include a deposit report on a form to be provided by the department. The department may, in its discretion, when satisfied that the revenues will be adequately safeguarded, permit an employer whose withheld taxes do not exceed \$50 per month to deposit withheld taxes and reports for other than monthly periods. The department may revoke such permission at any time. The depository bank shall record on such deposit report the amount deposited and shall then forward such report to the department in such manner and at such time as the department by rule prescribes. On or before January 31 of each year every employer shall file with the department at its offices in Madison (or at such other place as the department by rule prescribes) a withholding report on a form to be provided by the department showing the amount withheld from the wages paid each employe in the previous calendar year, the amount deposited in respect to each employe on wages paid in the previous calendar year and a reconciliation of the aggregate of the amounts deposited in respect to each employe on wages paid in the previous calendar year with the aggregate of the amounts shown on the monthly deposit reports filed in respect to such withholding. No employe shall have any right of action against his employer in regard to money deducted from his wages and deposited with the depository bank in compliance or intended compliance with this section.

(8) (a) On or before * * * *February 1, 1962* (or on or before the date on which an employe commences employment with an employer after such date), each employe shall furnish his employer with a signed withholding exemption certificate relating to the number of withholding exemptions he claims, which shall in no event exceed the number to which he is entitled. If the employe fails to furnish such certificate, such employe, for withholding purposes, shall be considered as claiming no withholding exemptions.

SECTION 12. 77.52 (2) (a) 4. of the statutes, as created by chapter 620, laws of 1961, is amended to read:

77.52 (2) (a) 4. The sale of local flat rate and local * * * *basic* measured rate telephone services billed on a monthly, recurring basis to business, industrial, professional and commercial users except messages from coin operated telephones.

SECTION 13. 77.54 (6) and (9a) of the statutes, as created by chapter 620, laws of 1961, are amended to read:

77.54 (6) Sales of taxable tangible personal property made pursuant to bona fide written contracts entered into before * * * February 1, 1962, provided delivery is made within 90 days after February 1, 1962.

(9a) The gross receipts from sales to, and the storage, use or other consumption of taxable tangible personal property and services by: this state or any agency thereof, or any county, municipality as defined in s. 66.901 (2), school district or other political subdivision; any corporation, community chest fund, foundation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder, shareholder, member or corporation.

SECTION 14. 77.553 of the statutes, as created by chapter 620, laws of 1961, is renumbered 77.53.

SECTION 15. 77.61 (4) of the statutes, as created by chapter 620, laws of 1961, is amended to read:

77.61 (4) Every seller and retailer as defined in s. 77.51 (7) and (8) and every person storing, using or otherwise consuming in this state taxable tangible personal property purchased from a retailer shall keep such records, receipts, invoices and other pertinent papers in such form as the department requires. For collecting the sales and use tax and the accounting connected therewith, retailers shall deduct 2 per cent of the total sales and use tax collected each month as partial compensation for their sales and use tax administration expenses. The failure or refusal of any person to comply with this subsection shall constitute a misdemeanor.

SECTION 15a. 77.62 of the statutes is created to read:

77.62 COLLECTION OF DELINQUENT SALES AND USE TAXES. The department of taxation may exercise the powers vested in it by virtue of s. 71.13 for the purpose of enforcing collection of delinquent sales and use taxes.

SECTION 16. 77.63 (1) and (1a) (a) of the statutes, as created by chapter 620, laws of 1961, are amended to read:

77.63 (1) The sales and use taxes collected pursuant to this subchapter shall be deposited in the state general fund, except that on March 1, 1963, and every March 1 thereafter, \$55,000,000 of such collections shall be distributed by the department of administration to towns, villages and cities in allocable shares pursuant to sub. (2), and taxpayers subject to tax under the provisions of ss. 76.13, 76.38 and 76.48 in allocable shares certified by the department of taxation * * * pursuant to sub. * * * (1a) (b).

(1a) (a) The department of taxation shall determine the amount of the property tax credit allowable to each taxpayer which is subject to levy of taxes and license fees under ss. 76.13, 76.38 and 76.48. * * * The aggregate of such credit shall be that proportion of the total property tax credit computed in the following manner. The numerator of the fraction shall be the average of the sum of the next 3 preceding year tax payments made pursuant to ss. 76.13, 76.38 and 76.48. The denominator of the fraction shall be the average of the sum of the next 3 preceding year total general property taxes levied (including state, county, local and school taxes) plus special assessments, plus occupational taxes, plus forest crop taxes, plus woodland taxes, plus the taxes paid pursuant to ss. 76.13, 76.38 and 76.48 reduced by the levy on all property entitled to the credit under s. 77.64 of all tax districts.

SECTION 17. 77.63 (1a) (b) of the statutes, as created by chapter 620, laws of 1961, is repealed and recreated to read:

77.63 (1a) (b) That portion of the appropriation provided by s. 20.552 (55) to grant property tax relief as set forth in par. (a) to taxpayers that paid taxes and license fees levied pursuant to ss. 76.13, 76.38 and 76.48 shall be paid to such taxpayers on March 1, 1963 and on March 1 annually thereafter. The department of taxation shall certify a refund roll to the department of administration which department shall remit directly to the taxpayers.

SECTION 18. 77.64 (1) (intro. par.), (a), (c), (2) and (3) of the statutes, as created by chapter 620, laws of 1961, are amended to read:

77.64 (1) (intro. par.) On or before * * * *February 15, 1963*, and annually thereafter, the department of administration shall remit to the treasurers of each taxation district from the appropriation made under s. * * * 20.552 (56) an amount as certified to the department of administration by the department of taxation pursuant to par. (c).

(a) On or before * * * *January 15, 1963*, and annually thereafter, the clerk of each taxation district shall furnish the department of taxation with a statement of the amount of the total tax levy in the district on assessments of merchants' stock in trade, manufacturers' materials and finished products, and livestock on the preceding May 1.

(c) On or before * * * *February 1, 1963*, and annually thereafter, the department of taxation shall certify to the department of administration the amount to be remitted to the treasurers of each taxation district. The amount certified shall be the amount referred to in par. (b).

(2) The treasurer of each taxation district shall apportion to each taxpayer against whom a levy was made in the * * * preceding year on merchants' stock in trade, manufacturers' materials and finished products, and livestock 50 per cent of such levy as determined under sub. (1) (b). The department of taxation shall furnish the apportionment factor to the treasurers of the tax districts on or before * * * *December 1*. The first report on * * * *apportionment* factors to the local treasurers shall be on or before * * * *December 1, * * * 1962*.

(3) * * * *The amount of the tax credit of particular property taxpayers, as determined under sub. (2), shall be set forth on the tax bills of such taxpayers issued immediately following the December 1 notification referred to in sub. (2) and shall serve to reduce the property taxes otherwise payable.*

SECTION 19. 218.01 (6) (b) (intro. par.) of the statutes is amended to read:

218.01 (6) (b) (intro. par.) Prior to or concurrent with any instalment sale, the seller shall deliver to the buyer a written statement describing clearly the motor vehicle sold to the buyer, the cash sale price thereof, the cash paid down by the buyer, the amount credited the buyer for any trade-in and a description thereof, the cost to the retail buyer of any insurance, the unpaid balance to be financed which may include the cost of insurance, *sales and use taxes*, the amount of the time price differential, the amount of any other charge specifying its purpose, the time balance due from the buyer, the terms of the payment of such time balance, the amount and date of each payment necessary finally to pay the time balance and a summary of any insurance coverage to be effected. The commissioner may determine the form of such statement to be included therein. In the event that a written order is taken from a prospective purchaser in connection with any such instalment sale, then shall the written statement above provided for be given to such purchaser prior to or concurrent with the signing of such order by such purchaser. The time price differential in a retail instalment sale excluding the cost of insurance shall not exceed the following rates:

Approved January 29, 1962.