



**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

<b>2011 Assembly Bill 380</b>	<b>Assembly Substitute Amendment and Assembly Amendment 1 to Assembly Substitute Amendment 1</b>
<i>Memo published:</i> January 13, 2012	<i>Contact:</i> Scott Grosz, Senior Staff Attorney (266-1307)

**2011 ASSEMBLY BILL 380**

2011 Assembly Bill 380 would create, in s. 77.54 (58) of the statutes, an exemption from the sales and use tax for, generally, tangible personal property that becomes a component of a facility in the state that is owned by a city, county, village, town, or school district, or by an entity organized for religious, charitable, scientific, or educational purposes.

The bill specifies that the sales and use tax exemption would apply to purchases by a construction contractor, who, in fulfillment of a real property construction activity, transfers the eligible property to one of the entities described above. The bill also defines “facility” to include any building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, or water supply system, but not a highway, street, or road.

**ASSEMBLY SUBSTITUTE AMENDMENT 1**

Assembly Substitute Amendment 1 to 2011 Assembly Bill 380 modifies the manner in which the substantive provisions of Assembly Bill 380 would be codified in the statutes. The substitute amendment eliminates the creation of a new subsection of s. 77.54, Stats. Instead, it creates a new provision relating to the tax exempt status of sales of eligible property that is transferred from contractors to the entities described above, and in the manner described above, in s. 77.54 (9a), Stats., which describes the tax exempt treatment of sales of property made directly to certain entities. The substitute amendment also specifies that, if enacted, the act would initially apply to contracts entered into on the effective date of the act.

**ASSEMBLY AMENDMENT 1 TO ASSEMBLY SUBSTITUTE AMENDMENT 1**

Assembly Amendment 1 to Assembly Substitute Amendment 1 specifies the effective date of the act as July 1, 2013.

**LEGISLATIVE HISTORY**

Assembly Bill 380 was introduced on November 16, 2011, by Representative Jacque and others, cosponsored by Senator Grothman and others. Representative Jacque introduced Assembly Substitute Amendment 1 and Assembly Amendment 1 to Assembly Substitute Amendment 1 on December 12, 2011 and January 6, 2012, respectively. On January 12, 2012, the Assembly Committee on Ways and Means adopted the amendments and recommended passage of the bill on successive votes of Ayes, 9; Noes, 0.

SG:ksm