



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2015 Senate Bill 300**

**Senate Amendments 1 and 2**

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*Contact:* Zach Ramirez, Staff Attorney (267-9485)

### **BACKGROUND**

Under current law, music in a tangible or digital form purchased by a jukebox operator for use in a jukebox is subject to sales and use tax. Sales tax also applies to the sale of playing time on a jukebox to a customer by a jukebox operator.

### **2015 SENATE BILL 300**

Under the bill, music in a tangible or digital form purchased by a jukebox operator for use in a jukebox is not subject to sales or use tax.

First, the bill specifies that, to the extent that playing time on a jukebox derives from playing digital goods on the jukebox, sales and use tax do not apply to the digital goods sold, licensed, leased, or rented for use on the jukebox.

Second, the bill provides an exemption from sales and use tax for tangible personal property that is sold to a person in the business of providing a taxable service through a jukebox, if the tangible personal property holds music for the jukebox and is used exclusively for the jukebox. This exemption also applies to digital music because current law, unchanged by the bill, provides that a good that is exempt from the sales and use tax in its tangible form is also exempt in its digital form.

### **SENATE AMENDMENT 1**

Under the amendment, music in a tangible or digital form purchased by a jukebox operator for use in a jukebox is not subject to sales or use tax. The amendment removes the provisions of the bill that specify that sales and use tax do not apply to digital goods sold, leased, or rented for use on a jukebox, but it retains the provisions of the bill that provide a sales and use tax exemption.

## **SENATE AMENDMENT 2**

Senate Amendment 2 changes the effective date of the bill's provisions from January 1, 2016 to the first day of the third month beginning after publication.

## **BILL HISTORY**

Senator Tiffany offered Senate Amendment 1 on October 9, 2015. On December 15, 2015, the Senate Committee on Revenue, Financial Institutions, and Rural Issues recommended adoption of Senate Amendment 1 and passage of the bill, as amended, on votes of Ayes, 5; Noes 0.

On February 5, 2016, the Joint Committee on Finance offered Senate Amendment 2. On the same day, the Joint Committee on Finance recommended adoption of Senate Amendment 1 and Senate Amendment 2 and passage of the bill, as amended, on votes of Ayes, 16; Noes, 0.

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