
Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Assembly Bill 606

**Assembly Substitute
Amendment 1**

2021 ASSEMBLY BILL 606

2021 Assembly Bill 606 creates a sales and use tax exemption for building materials, supplies, and equipment and landscaping services if those items or services are acquired or used solely in a workforce housing development or in a workforce housing rehabilitation project.

Among other required conditions, a workforce housing **development** must meet the following conditions:

- The development consists of land proposed for newly platted residential use.
- The residential units are intended for initial occupancy by individuals whose household income is between 60 percent and 120 percent of county median household income.
- The price per residential unit does not exceed a maximum residential unit price as determined by the Wisconsin Housing and Economic Development Authority (WHEDA), which may not exceed \$250,000 in Chippewa County, as adjusted for inflation, or the price of a substantially equivalent home in the county in which the development is located.

Among other required conditions, a workforce housing **rehabilitation project** must meet the following condition:

- The estimated value of a residential unit undergoing rehabilitation does not exceed the maximum residential unit price as determined by WHEDA, described above.

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 largely retains the sales and use tax exemption in the bill, but with modifications to the required conditions described above for both a housing development and a housing rehabilitation project.

For a housing **development**, the substitute amendment:

- Requires that the development consists of land zoned for residential use (rather than land proposed for newly platted residential use).
- Requires that residential units are intended for initial occupancy by individuals whose household income does not exceed 120 percent of county median household income (rather than between 60 percent and 120 percent of such income).
- Eliminates the maximum price per residential unit.

For a housing **rehabilitation project**, the substitute amendment:

- Eliminates the maximum estimated value of a residential unit undergoing rehabilitation.

The substitute amendment also sunsets the bill after five years.

BILL HISTORY

Assembly Substitute Amendment 1 was introduced by Representative Pronschinske on October 19, 2021. On that same day, the Assembly Committee on Housing and Real Estate recommended adoption of the amendment on a vote of Ayes, 10; Noes, 0. The committee then recommended passage of the bill, as amended, on a vote of Ayes, 6; Noes, 4.

EL:ksm