



JERRY PETROWSKI

WISCONSIN STATE SENATOR

Senate Bill 500 *Fuel Tax Exemption Certificate* January 21, 2014

Thank you, Mr. Chairman and members of the committee, for the opportunity to speak today on Senate Bill 500.

Wisconsin law allows for a tax credit or refund to be granted to persons who sell tax-paid gasoline for tax-exempt use, including use in non-highway mobile machinery and equipment. Such machinery and equipment is commonly used for farming.

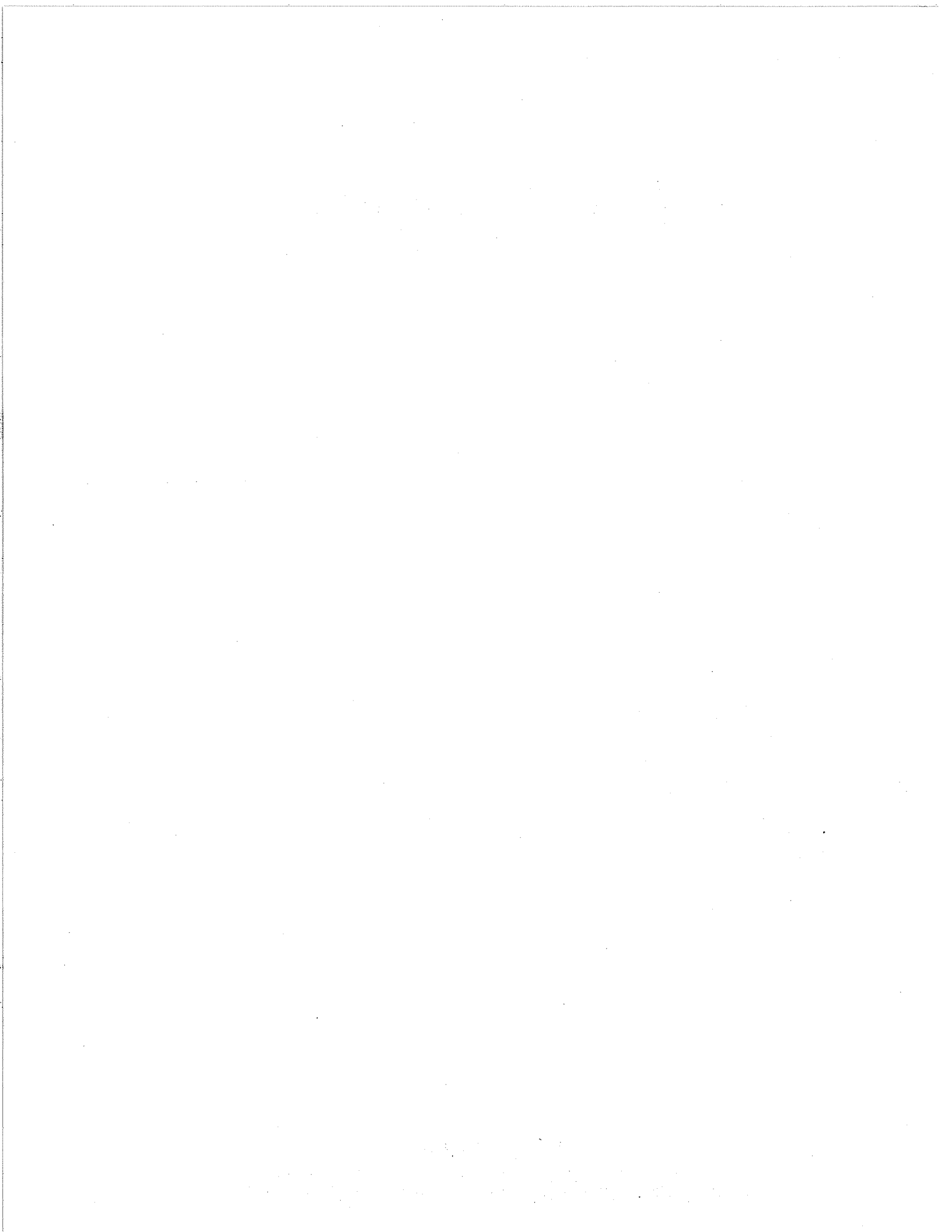
In order for fuel suppliers to make exempt sales to customers, the suppliers must obtain a Department of Revenue (DOR) issued exemption certificate from the customers detailing the use of the fuel being purchased. These forms must be kept on file by both the suppliers and the customers, and presented to the DOR upon request.

Currently, these exemption certificates are valid for one year. This bill extends the expiration date of the exemption certificate to three years. Extending the expiration date of the exemption certificate does not affect the customers' ability to receive tax-exempt fuel, nor does it affect the speed at which fuel suppliers receive reimbursement from the DOR.

Thank you for the opportunity to speak on this topic. I'm happy to answer any questions you may have.

29TH SENATE DISTRICT

STATE CAPITOL: P.O. BOX 7882 • MADISON, WISCONSIN 53707-7882
SEN.PETROWSKI@LEGIS.WISCONSIN.GOV • TELEPHONE: (608) 266-2502 • FAX: (608) 282-3569





1 South Pinckney Street, Suite 810, Madison, WI 53703-2869
608.258.4400 fax 608.258.4407

145 University Avenue West, Suite 450, St. Paul, MN 55103-2044
651.228.0213 fax 651.228.1184

www.cooperativenetwork.coop

January 21, 2014

To: Members, Senate Committee on Transportation, Public Safety, and Veterans and
Military Affairs

From: John Manske, Director of Government Relations

Re: Support for SB 500

Cooperative Network is a trade association of more than 600 member-owned cooperative businesses that offer a wide variety of products and services. In Wisconsin, our farm supply cooperative members provide about 60 percent of the motor fuel used for agricultural purposes and other non-highway uses.

Most of these sales are exempt from the state motor fuel excise tax. However, the retailer is responsible for obtaining an exemption certificate from the purchaser to make a tax-exempt sale. A retailer that makes a sale without getting a valid exemption certificate is potentially liable for the tax that would otherwise be owed. SB 500 would reduce the burden placed upon retailers by extending an exemption certificate's term from one to three years.

Cooperative Network supports SB 500 and the reduction in compliance burdens that would occur without jeopardizing the current system or revenues from non-exempt sales.

2000-2001-2002-2003-2004-2005

