

BOB KULP

STATE REPRESENTATIVE • 69TH ASSEMBLY DISTRICT

May 9, 2017

To: Members, Assembly Committee on Ways and Means
From: Rep. Bob Kulp
Re: Support for AB 174

Mr. Chairman, members of the committee, thank you for hearing this bill today and for allowing me to testify on its behalf.

As you know, last session, the Legislature unanimously passed Act 126, which smoothed the road for local government building projects in the same way that this bill does for the UW and technical college districts.

The issue is this: under current law, materials purchased for construction by UW and the tech colleges are exempt from sales tax if purchased directly by the university or college. The sales tax exemption does not apply if materials are purchased by a contractor – which is how construction projects usually work – even if those materials are part of a UW or technical college project.

Because of this, the UW and technical college districts either have to designate someone to make the purchases for the contractor – every brick, board, nail and gallon of paint – or have the contractor make the purchases, and live with the higher cost. Living with higher costs is not the option this Legislature would want them to take, and yet requiring a state employee to purchase the materials is an unnecessary bit of extra bureaucratic nonsense that we would be better off without.

This bill simplifies the process for the UW and technical college districts in the same way Act 126 did for local governments and K-12 schools: extending the sales tax exemption to materials purchased by a contractor for a UW or technical college building project. This will eliminate some small amount of bureaucracy, and in the grand scheme of things costs nothing.

It's a simple bill, and a fix that we honestly should have done already. The Senate Committee on Revenue has already passed it on a unanimous vote, and I urge your support.

REPRESENTING WISCONSIN'S 69TH ASSEMBLY DISTRICT

State Capitol: P.O. Box 8952 ★ Madison, WI 53708 | (608) 267-0280 ★ Toll-Free: (888) 534-0069 ★ Fax: (608) 282-3669

District: (715) 687-3287 | Rep.Kulp@legis.wi.gov