



1995 ASSEMBLY BILL 955

February 26, 1996 - Introduced by Representatives HOVEN, GARD, LEHMAN, BRANCEL, KLUSMAN, WOOD, SCHNEIDER, GUNDERSON, GOETSCH, HANSON, UNDERHEIM, HASENOHRL and BELL, cosponsored by Senators WEEDEN, DRZEWIECKI, BUETTNER, FARROW, WINEKE and JAUCH. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 76.39 (2), 76.39 (3) and 76.39 (3a) of the statutes; **relating to:**
2 the tax on car line companies.

Analysis by the Legislative Reference Bureau

Under current law, a tax is imposed on car line companies (companies that lease railroad cars to railroads). That tax is based on the previous year's receipts and is paid on an estimated basis on May 10 and November 10 of the previous year. On the following May 10, a settlement is made between this state and the car line company based on the actual receipts for the previous year. Under this bill, the tax is paid in 2 instalments. One is due on September 10 of the previous year and the other on April 15 of the year to which the tax applies.

The bill also reduces the rate for the tax on car line companies from 6% of gross earnings in this state to 3% of gross earnings in this state.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 76.39 (2) of the statutes is amended to read:

4 76.39 (2) There is levied annually a gross earnings tax in lieu of all property
5 taxes on the car line equipment of a car line company equal to ~~6 per cent~~ 3% of the
6 gross earnings in this state. Every railroad company operating in this state shall,
7 upon making payment to each car line company for use of its cars, withhold ~~6 per cent~~

1 3% of the amount constituting the gross earnings in this state of such car line
2 company.

3 **SECTION 2.** 76.39 (3) of the statutes is amended to read:

4 76.39 (3) Every railroad company operating in this state shall file annually
5 with the department, on or before ~~March~~ April 15, on a form prepared by the
6 department, a true and accurate statement of all rentals paid to each car line
7 company during the previous calendar year and shall remit to the department the
8 amount of the tax required to be withheld under sub. (2). Every car line company,
9 which during the previous calendar year has received gross earnings in this state
10 from a source other than a railroad company operating in this state, shall, on or
11 before ~~March~~ April 15, on a form prepared by the department, file with the
12 department a true and accurate statement of such gross earnings in this state and
13 the name of the company from which received and shall remit to the department the
14 amount of the tax imposed under sub. (2) on such gross earnings in this state. The
15 payment dates provided for in sub. (3a) shall apply. Upon written request received
16 by the department before ~~March~~ April 15, the department may grant an extension
17 of not to exceed 30 days for the filing of the report and the payment of the taxes levied
18 in this section. If any railroad company or car line company fails to file such report
19 when due, or as extended by the department, unless it is shown that the failure is
20 due to reasonable cause and not due to wilful neglect, there shall be added to the
21 amount required to be shown as gross earnings tax on the report 5% of the amount
22 thereof if the failure is for not more than one month, with an additional 5% for each
23 additional month or fraction thereof during which the failure continues, not
24 exceeding 25% in the aggregate. If any railroad company or car line company fails
25 to pay all taxes due within the time prescribed or as extended by the department, the

1 unpaid taxes shall be delinquent, and shall be subject to interest under sub. (4). All
2 taxes, late filing fees, penalties and interest shall be deposited in the general fund.

3 **SECTION 3.** 76.39 (3a) of the statutes is amended to read:

4 76.39 (3a) ~~Tax~~ The tax due under this section shall be paid to the department
5 ~~on an estimated basis.~~ Payments of semiannual instalments of the total estimated
6 liability for the calendar year shall be due on or before ~~May 10 and November~~
7 September 10 of the year prior to the assessment. ~~On every May 10 each railroad~~
8 ~~company and car line company shall pay any additional amounts due or be credited~~
9 ~~for any overpayment based upon the actual liability of the current year and on April~~
10 15 of the year of the assessment. If any railroad company or car line company fails
11 to make semiannual payments of pay on or before September 10 at least ~~55%~~ 50%
12 of the tax liability for the current calendar year or 50% of the tax liability for the
13 subsequent calendar year, ~~any amounts~~ the amount not paid when due shall become
14 is delinquent and shall be is subject to interest under sub. (4) (c). If any railroad
15 company or car line company fails to pay on or before April 15 the difference between
16 the current year's assessment and the amount paid toward that assessment, the
17 amount not paid is delinquent and is subject to interest under sub. (4) (c). Companies
18 with a tax liability under this section of less than \$2,000 are not required to make
19 semiannual payments but shall pay the full amount of taxes due on or before ~~May~~
20 April 15 of the year of the assessment.

21 **SECTION 4. Initial applicability.**

22 (1) DEADLINES. The treatment of section 76.39 (3) and (3a) of the statutes first
23 applies to taxes based on the gross earnings of 1996.

