



2003 ASSEMBLY BILL 975

March 11, 2004 – Introduced by Representatives MORRIS, YOUNG, BOYLE, GRONEMUS, HINES and J. WOOD, cosponsored by Senator ROESSLER. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT** *to create* 77.542 of the statutes; **relating to:** a sales tax holiday.

Analysis by the Legislative Reference Bureau

Under this bill, annually, for the four-day period beginning on August 29 and ending on September 1, the following items are exempt from the sales tax and the use tax: 1) clothing, not including accessories, if the item of clothing is intended to be worn by a person, except that the total cost of all such items sold at retail on the same invoice to the same consumer may not exceed \$300; 2) computers and computer-related equipment that is purchased by a consumer for the consumer's personal use, except that the total cost at retail for all such computers and equipment purchased on the same invoice by the same consumer may not exceed \$2,000; and 3) school supplies, except that the total cost of school supplies sold at retail on the same invoice to the same consumer may not exceed \$50. The exemption does not apply to items sold at retail at a sports facility, theme park, amusement park, restaurant, hotel, motel, theater, or airport.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* 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:

2 **SECTION 1.** 77.542 of the statutes is created to read:

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1 **77.542 Annual sales tax holiday.** (1) In this section:

2 (a) “Clothing” means all human wearing apparel that is suitable for general
3 use, not including protective equipment and sport or recreational equipment.

4 (b) “Clothing accessories” means incidental items worn on a person or in
5 conjunction with clothing, including jewelry, handbags, cosmetics, umbrellas,
6 nonprescription sunglasses, watches, wallets, wigs, handkerchiefs, hair notions, and
7 other similar items.

8 (c) “Computer” means an electronic device that accepts information in digital
9 or similar form and manipulates it for a result based on a sequence of instructions.

10 (d) “Computer-related equipment” means the individual components of a
11 computer that are used with the computer, including printers, modems, keyboards,
12 monitors, personal data assistant devices, peripheral devices, and computer
13 software, if the computer software is not designed for use with a game device, game
14 console, or similar device.

15 (e) “Computer software” means a set of coded instructions designed to cause a
16 computer or automatic data processing equipment to perform a task.

17 (f) “Protective equipment” means any human wearing apparel that is not
18 suitable for general use and is designed to protect the person who wears the apparel
19 from injury or disease or to protect property or other persons from damage or injury.

20 “Protective equipment” includes breathing masks, clean room apparel, ear and
21 hearing protectors, face shields, hard hats, helmets, paint or dust respirators,
22 protective gloves, safety glasses and goggles, safety belts, and tool belts.

23 (g) “School supplies” means book bags, chalk, erasers, clipboards, composition
24 books, construction paper, crayons, crayon boxes, flash cards, folders, glue, index
25 cards, ink, ink cartridges, mechanical pencil refills, paper clips, paste, pencil boxes,

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1 pencil sharpeners, protractors, rulers, scissors, staplers, staples, tape, pens, pencils,
2 notebooks, paper, calculators, dictionaries, and thesauruses.

3 (h) "Sport or recreational equipment" means any item that is not suitable for
4 general use is and designed to be used by a person and worn in conjunction with an
5 athletic or recreational activity. "Sport or recreational equipment" includes ballet
6 shoes, tap shoes, athletic shoes that are intended to be worn with cleats or spikes,
7 gloves that are used to participate in a sport or recreational activity, hand and elbow
8 guards, mouth guards, shin guards, roller or inline skates, ice skates, life preservers
9 and vests, shoulder pads, wet suits, fins, ski boots, and waders.

10 (2) Annually, for the 4-day period beginning on August 29 and ending on
11 September 1, the gross receipts from the sale of and the storage, use, or other
12 consumption of the following are exempt from the taxes imposed under this
13 subchapter:

14 (a) An item of clothing, not including clothing accessories, except the gross
15 receipts or sales price of all such items sold on retail on the same invoice to the same
16 consumer may not exceed \$300.

17 (b) Computers and computer-related equipment purchased by the consumer
18 for the consumer's personal use, except that the gross receipts or sales price of all
19 such computers and equipment sold on retail on the same invoice by the same
20 consumer may not exceed \$2,000.

21 (c) School supplies, except that the gross receipts or sales price of school
22 supplies sold on retail at the same invoice to the same consumer may not exceed \$50.

23 (3) The exemption under sub. (2) does not apply to any items sold at retail at
24 a sports facility, theme park, amusement park, restaurant, hotel, motel, theater, or
25 airport.

