



2005 ASSEMBLY BILL 952

January 30, 2006 - Introduced by Representatives VAN ROY, KREIBICH, HAHN, KESTELL, MUSSER, KERKMAN, HINES, PETTIS, GUNDERSON, OWENS, PETROWSKI, PRIDEMORE, LEMAHIEU, GUNDRUM, TOWNS, STRACHOTA, TOWNSEND, LOTHIAN, ALBERS, J. FITZGERALD and KRAWCZYK, cosponsored by Senators GROTHMAN, OLSEN, LAZICH, ROESSLER, LEIBHAM, A. LASEE, KEDZIE, KANAVAS and DARLING. Referred to Committee on Small Business.

1 **AN ACT** *to amend* 71.05 (6) (a) 15. and 71.08 (1) (intro.); and *to create* 71.07 (5h)
2 and 71.10 (4) (gxx) of the statutes; **relating to:** an individual income tax credit
3 for the sales and use taxes paid on self-service laundry services.

Analysis by the Legislative Reference Bureau

Under current law, laundry services performed by the consumer of the laundry services are subject to the sales tax and the use tax, unless the services are performed through the use of coin-operated, self-service machines. Under this bill, an individual may claim an income tax credit in an amount equal to the amount of the sales and use taxes that the individual paid in the taxable year on laundry services performed by the individual through the use of self-service machines.

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:

4 **SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:
5 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
6 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), (3s), (3t), (5b), ~~and (5d)~~, and (5h)

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1 and not passed through by a partnership, limited liability company, or tax-option
2 corporation that has added that amount to the partnership's, company's, or
3 tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

4 **SECTION 2.** 71.07 (5h) of the statutes is created to read:

5 71.07 (5h) SELF-SERVICE LAUNDRY SERVICES CREDIT. (a) *Definition.* In this
6 subsection, "claimant" means an individual who files a claim under this subsection.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim against the taxes imposed under s. 71.02, up to the amount of
9 the taxes, an amount that is equal to the amount of the taxes imposed under ss. 77.52
10 and 77.53 that the claimant paid in the taxable year on laundry, dry cleaning,
11 pressing, and dyeing services performed by the claimant through the use of
12 self-service machines.

13 (c) *Limitations.* For a claimant who is a nonresident or part-year resident of
14 this state and who is a single person or a married person filing a separate return,
15 multiply the credit for which the claimant is eligible under par. (b) by a fraction, the
16 numerator of which is the individual's Wisconsin adjusted gross income and the
17 denominator of which is the individual's federal adjusted gross income. If a claimant
18 is a claimant is married and files a joint return, and if the claimant or the claimant's
19 spouse, or both, are nonresidents or part-year residents of this state, multiply the
20 credit for which the claimant is eligible under par. (b) by a fraction, the numerator
21 of which is the couple's joint Wisconsin adjusted gross income and the denominator
22 of which is the couple's joint federal adjusted gross income.

23 (d) *Administration.* 1. Section 71.28 (4) (e) to (h), as it applies to the credit
24 under s. 71.28 (4), applies to the credit under this subsection.

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1 2. Subsection (9e) (d), to the extent that it applies to the credit under sub. (9e),
2 applies to the credit under this subsection.

3 **SECTION 3.** 71.08 (1) (intro.) of the statutes, as affected by 2005 Wisconsin Act
4 25, is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
6 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3s),
8 (3t), (5b), (5d), (5h), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds),
9 (1dx), (1fd), (2m), (3), (3n), and (3t) and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds),
10 (1dx), (1fd), (2m), (3), (3n), and (3t) and subchs. VIII and IX and payments to other
11 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
12 that natural person, married couple filing jointly, trust, or estate, instead of the tax
13 under s. 71.02, an alternative minimum tax computed as follows:

14 **SECTION 4.** 71.10 (4) (gxx) of the statutes is created to read:

15 71.10 (4) (gxx) Self-service laundry services credit under s. 71.07 (5h).

16 **SECTION 5. Initial applicability.**

17 (1) This act first applies to taxable years beginning on January 1, 2006.

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(END)